



# ANNUAL REPORT 2024

WINDSOR CANADA UTILITIES





ENWIN UTILITIES LTD. FLEET ELECTRIFICATION

## Land Acknowledgment Statement

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We acknowledge that we are on land and surrounded by water, which was originally inhabited by Indigenous Peoples who had travelled this area since time immemorial. This territory is honoured by the Wampum Treaties of the Anishinaabe, Haudenosaunee, Lenni Lenape, and allied Nations, to peacefully share and care for the resources around the Great Lakes, and the waters that we drink. We would like to acknowledge the presence of the Three Fires Confederacy of the Ojibwe, Odawa, and Potawatomi and the Huron/Wendat Peoples. We are dedicated to honouring Indigenous history and culture while remaining committed to moving forward respectfully with all First Nations, Inuit and Métis.

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# Mission, Vision and Values

## ENWIN Utilities Ltd. Strategic Goals and Initiatives



### A people driven learning organization.

Drive organizational excellence and learning through attracting, retaining, developing, and engaging passionate and diverse people.



### Our community's leader for the energy evolution.

Articulate and pursue regulated and unregulated business opportunities that will position ENWIN at the forefront of the energy evolution.



### Our customers' trusted partner.

Maintain a strong focus on delivering exceptional value to our customers as a trusted advisor that helps them navigate and choose solutions for their energy needs.

## STEWARDSHIP



## EXCELLENCE



## MISSION

We guide, innovate, and grow our customers' access to safe, reliable energy and water resources.



## AGILITY

## VISION

Connecting communities through clean energy and water solutions.



## TRUST



## PURPOSEFUL



# Corporate Structure

## Windsor Canada Utilities Ltd.

Windsor Canada Utilities Ltd. (WCU) is 100 per cent owned by The Corporation of the City of Windsor. It is a private company, registered under the Ontario Business Corporations Act, and overseen by a Board of Directors consisting of six members appointed by City Council; four of these are elected members of City Council. The core businesses of the Corporation, through its regulated and unregulated affiliates, are electricity and water distribution and other utility services. The Company owns and operates two subsidiary companies.



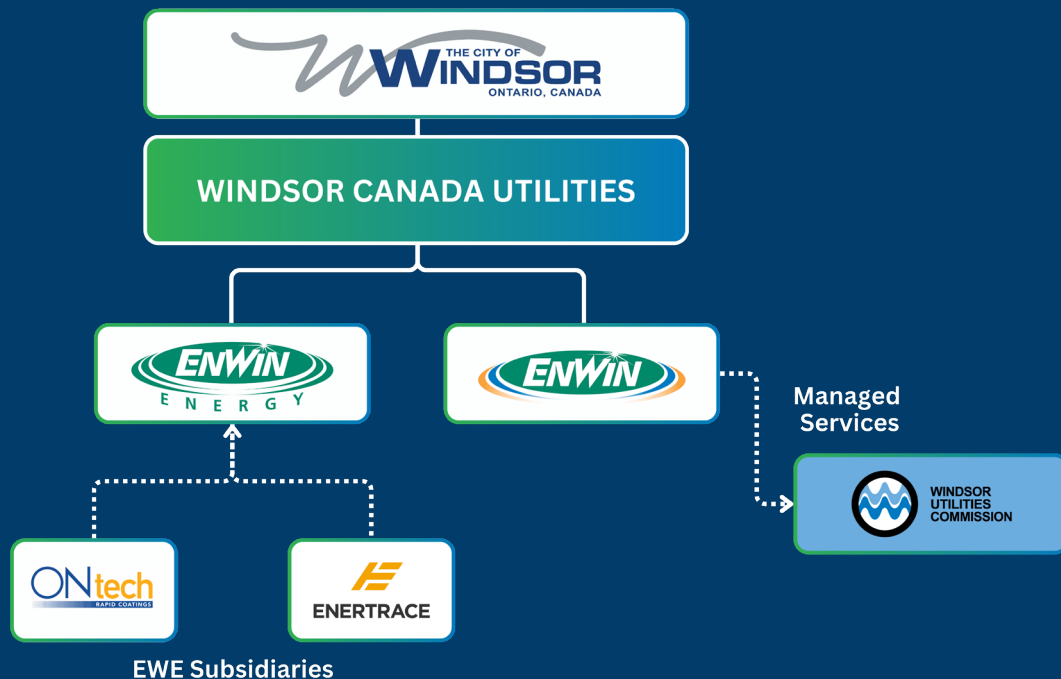
### ENWIN Utilities Ltd.

ENWIN Utilities Ltd. (ENWIN or EWU), the first of these two subsidiaries, is a regulated electricity Local Distribution Company (LDC) serving customers in the City of Windsor, and is responsible for the local distribution of electricity, and the service and maintenance of the local electricity distribution infrastructure. ENWIN is overseen by a Board of Directors consisting of six members appointed by its shareholder; two of these are elected members of City Council. ENWIN also maintains a contract of service with Windsor Utilities Commission (WUC) to operate and maintain the WUC owned water system that serves customers in Windsor, Tecumseh and LaSalle.



### ENWIN Energy Ltd.

ENWIN Energy Ltd. (EWE), the second of these subsidiaries, is the unregulated affiliate company that aims to find unregulated opportunities in the Ontario energy market. It is overseen by a Board of Directors consisting of six members appointed by City Council; four of these are elected members of City Council. The core business of EWE includes streetlighting and sentinel lighting, suite metering, corrosion protection through its affiliate ONtech Rapid Coatings Inc, and locates through Enertrace Services Ltd., a joint venture with Essex Energy.



# Message from the Chair of The Board and President and Chief Executive Officer

We are pleased to present Windsor Canada Utilities (WCU) Ltd.'s 2024 Annual Report, highlighting a year of strong financial performance, targeted infrastructure investments, and continued innovation in the delivery of essential utility services.

In 2024, WCU achieved a net income of \$10.8 million and a return on equity of five per cent. This performance reflects our disciplined approach to operations, capital planning, and customer service. WCU continues to maintain one of the lowest debt-to-equity ratios in Ontario's electricity sector at 0.51, providing a strong foundation for sustainable growth.

Our financial strength enabled us to reinvest \$26.5 million into critical system upgrades that enhance service reliability and support the long-term needs of our customers. Total assets reached \$436 million, with over \$275 million in property, plant, equipment, and intangible assets.

ENWIN Utilities Ltd. (ENWIN), WCU's regulated utility, delivered significant infrastructure upgrades this year, deploying more than 400 poles and 180 transformers, and completing over 600 new service connections. Major city-led infrastructure projects, including the Riverside Vista and Sandwich Street reconstruction, advanced with ENWIN's support. Additionally, the Lauzon Transformer Station Feeder Ring relocation project was initiated to improve grid resilience for approximately 5,000 customers.

ENWIN's capital projects are complemented by a continued focus on sustainability. In 2024, ENWIN integrated a fully electric bucket truck and additional hybrid and electric vehicles into its fleet, resulting in 10 per cent of fleet vehicles being electrified, contributing to reduced emissions and long-term cost savings.

Our unregulated business lines also demonstrated momentum. ENWIN Energy Ltd. (EWE) commissioned a 1-megawatt rooftop solar net metering system at the Rhodes Drive Operating Centre. Enertrace, a joint venture between EWE and Essex Power, began operations in May, while EWE's subsidiary, ONtech Rapid Coatings, achieved its first year of profitability and completed refurbishment projects across Ontario, including 300 fire hydrants for Windsor Utilities Commission (WUC) and 160 transformers across seven local distribution companies.

In parallel, ENWIN's Water Operations team led Windsor Utilities Commission's (WUC) largest capital investment to date, totalling over \$50 million in water infrastructure renewal projects. This investment includes the central corridor feedermain, a new southern water tower, and the decommissioning of the original water treatment plant. These vital projects will support regional growth.

As we look to the future, WCU remains committed to delivering safe, reliable, and sustainable energy and water services. Guided by our core values, trust, stewardship, agility, excellence, and purposeful action, we will continue to drive operational excellence and community-focused growth.



Garry Rossi,  
President and CEO  
ENWIN Utilities Ltd.



Mayor Drew Dilkens,  
Board Chair  
EWU and WCU

# Success By The Numbers

## 2024 Fast Facts

**307**

Employed at  
ENWIN

**92,262**

Hydro  
Customers

**92%**

Satisfaction  
Rate

**75%**

Service Level\*

**76,810**

Water  
Customers

**2.17 B kWh**

Hydro  
Delivered

**40,380 ML\*\***

Water  
Delivered

## Customer Experience

The below results are based on online and telephone interviews of 606 respondents who pay or look after the electricity bills for ENWIN. A sample size of 606 provides a confidence level of 95% (+/- 4%). Customers surveyed were based on a random sample approach.

**86%**

Believe ENWIN quickly  
handles outages and  
restores power.

**89%**

Believe ENWIN  
provides consistent  
reliable energy.

**85%**

Believe ENWIN  
delivers on its service  
commitments.

**87%**

Believe ENWIN's  
standard of reliability  
meets expectations.

**89%**

Believe ENWIN  
makes electricity  
safety a top priority.

\* Percentage of calls answered in under 30 seconds for all queues.

\*\*ML = Volume in megalitres (ML)





ENWIN UTILITIES LTD. ROOFTOP SOLAR NET METERING FACILITY 2024

# Board of Directors

## ENWIN ENERGY LTD. (EWE) AND WINDSOR CANADA UTILITIES LTD. (WCU)



### Drew Dilkens

(Chair)  
Mayor, City of Windsor  
DBA, MBA, LLB, CHRL



### Jo-Anne Gignac

(Vice-Chair)  
Councillor, City of Windsor, Ward 6



### Kevin Laforet

Regional President (Canada), Caesars Entertainment  
CPA, CA, BCom



### Jim Morrison

Councillor, City of Windsor, Ward 10  
PFP



### Ed Sleiman

Councillor, City of Windsor, Ward 5



### Jerry Udell

Senior Counsel, Miller Canfield  
LLB, BA, CS

## ENWIN UTILITIES LTD. (EWU)



### Garnet Fenn

(Chair)  
Former Vice President, CFO and Treasurer  
Daimler Chrysler  
MBA, FCPA, FCA, ICD.D, FCG, CPA (Michigan)



### Jo-Anne Gignac

(Vice-Chair)  
Councillor, City of Windsor, Ward 6



### Drew Dilkens

Mayor, City of Windsor  
DBA, MBA, LLB, CHRL



### Gregory Ioanidis

Former Vice President, ITC Holdings Corp.  
MBA, BMath, C.Dir



### Andrea Orr

Licensed Insolvency Trustee  
LLM, CGA, CPA, CIRP, LIT



### Leo Muzzatti

Director of Human Resources and Strategy Management, Assisted Living Southwestern Ontario (Windsor)  
LLB, BEd



# ENWIN Utilities Ltd.

## Executive Team



**Garry Rossi**

President and CEO  
BASc, P.Eng, C.Dir



**Michelle Bonnici**

Chief People Officer  
LLM, BA, C.Dir



**Jim Brown**

Chief Operating  
Officer - Hydro  
BESc, BCom,  
P.Eng C.Dir



**Matt Carlini**

Chief Financial  
Officer  
CPA, CA, MBA,  
C.Dir



**Paul Gleason**

Chief Risk  
Officer  
LLM, BA,  
CSCMP, C.Dir



**Robert Spagnuolo**

Chief Operating  
Officer - Water  
MBA, BASc, P.Eng,  
C.Dir



**Kris Taylor**

Chief Business  
Development Officer  
MBA, CEM, C.Dir





# Board Attendance

## REGULARLY SCHEDULED MEETINGS

WCU / EWE	5 Meetings / Year
Drew Dilkens (Chair)	Attended 4
Jo-Anne Gignac	Attended 3
Kevin Laforet	Attended 5
Jim Morrison	Attended 5
Ed Sleiman	Attended 5
Jerry Udell	Attended 4

## REGULARLY SCHEDULED MEETINGS

EWU	5 Meetings / Year
Drew Dilkens (Chair January 1 - February 13, 2024)	Attended 3
Garnet Fenn (Chair, from February 14, 2024)	Attended 5
Jo-Anne Gignac	Attended 4
Gregory Ioanidis	Attended 5
Leo Muzzatti	Attended 5
Andrea Orr	Attended 5



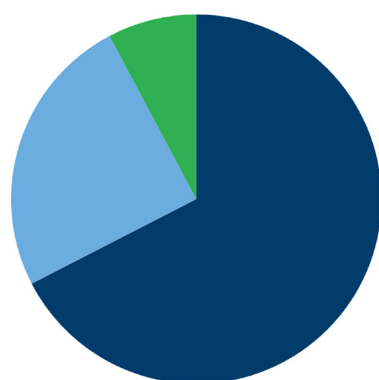
ONTECH 2024



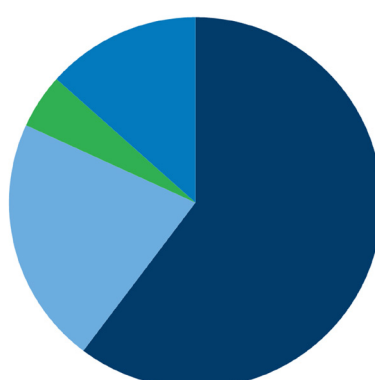
# Financial Highlights

(in thousands of dollars)

	2024	2023	2022	2021	2020
<b>Operations</b>					
Total Revenue	336,132	302,646	308,318	306,402	352,859
Distribution Revenue	56,378	53,314	51,726	49,778	49,019
EBITDA	26,031	21,819	14,574	19,014	23,566
Net Income	10,769	8,137	612	4,969	7,316
Dividends	4,000	4,000	4,000	4,000	4,000
<b>Balance Sheet</b>					
Cash and Investments	35,641	42,367	46,561	63,457	59,075
Property, Plant and Equipment & Intangible Assets	275,149	262,741	254,214	247,269	245,302
Total Assets	436,035	424,531	414,097	422,990	428,024
Long-term Debt	103,000	103,000	103,000	103,000	103,000
Equity	209,298	202,327	200,874	186,931	182,593
<b>Cash Flows</b>					
Operating	18,681	18,857	4,954	19,983	24,443
Investment in Infrastructure	26,498	22,938	19,274	14,889	16,749

Revenue by Type <sup>1</sup>

■ Distribution revenue  
 ■ Services to WUC  
 ■ Other services

Expenses by Type <sup>1</sup>

■ Operating expenses  
 ■ Cost of services provided to WUC  
 ■ Net finance expense  
 ■ Depreciation

<sup>1</sup> Excludes the sale of electricity and cost of electricity

# Operational Results

WCU's ability to achieve its strategic objectives depends on its assets, expertise, systems, and capital resources — both tangible and intangible.

## Assets

WCU's total assets are \$436 million as of December 31, 2024. Its largest subsidiary, EWU, had significant ongoing investment in distribution infrastructure in 2024.

### Electricity Distribution Assets

ENWIN continues to be affected by the pressures from aging infrastructure, which is a factor for many utilities. EWU manages this through increased infrastructure investments and a detailed plan to target distribution system spending where it will have the most benefit.

ENWIN delivers value to its customers through its electrical distribution grid. That grid consists of assets such as poles, wires, cables, transformers, and meters (among other assets) which are used to deliver electrical power to customers. ENWIN applies its resources of knowledge, skill, capital (both human and monetary), tools, processes, and procedures to the activities of building, operating and maintaining grid assets. Delivery of value to customers is continually managed, reviewed, and improved. Customers value the distribution grid in terms of its ability to provide sufficient power, safely and reliably, and to move power from points of generation to points of load.

In 2024, \$24.6 million was invested to maintain and expand the distribution system and related infrastructure to meet customer needs. In 2024 ENWIN's distribution grid moved 456 MW of peak power which represents 69 per cent of the all-time peak the system established in 2006. Monthly peaks in 2024 were one per cent higher than in 2023. While peak loads depend on economic and weather conditions, the ENWIN distribution grid has a reasonable reserve capacity to serve additional loads which may materialize in the future. ENWIN's distribution grid supported the connection of 644 new load services and 1.2 MW of new generation in 2024.

According to the Canada Safety Council, Windsor is the lightning and storm capital of Canada and while a distribution grid will always suffer some outages, customers value a quick restoration of their electrical service. The average outage duration in 2024 was 32 minutes, which was a top quartile performance for Ontario utilities serving more than 50,000 customers. 2024 was a quiet year for storm activity, especially when compared to 2023 which endured an ice storm that occurred near the end of February and two tornadoes which damaged the distribution plant on August 2, 2023. The customer outage hours decreased by approximately 80 per cent compared to 2023.

### Unregulated Business Lines

Historically, ENWIN Energy Ltd. (EWE) has been responsible for overseeing and managing Sentinel Lighting and Streetlighting related work for its various customers and the City of Windsor. More recently, the company has focused on diversifying its portfolio through strategic partnerships, new venture offerings, and government-funded projects to create value for its Shareholder.

In 2018, ONtech Rapid Coatings was formed through EWE's partnership with Tessonics Inc. Since its inception, ONtech has focused on deploying its state-of-the-art corrosion control and coating solution in the utility sector. It has since grown to service several LDCs across the province of Ontario. In 2024, ONtech's customer base and reach continues to grow servicing a record number of customers and coating a record number of assets all over Ontario.

EWE received federal funding in 2021 focused on implementing two automated feeder ring systems within the City of Windsor. This self-healing grid will improve the number of outage hours for areas where the ring sections are unaffected by the cause of the outage. The successful completion of this project will benefit nearly 5,000 residential and commercial customers within Windsor-Essex and completion is expected in early 2025.

In 2023, EWE formed Enertrace Services Ltd., a joint venture with Essex Energy, to address the growing need for locates within the communities of Windsor-Essex County. Enertrace's focus is to address the increased demand for locating underground utilities in the region. Through the first half 2024, Enertrace focused on initial setup and hiring of employees and in June 2024, completed its first locate. Damage prevention and locating work throughout the region continues to this day.

2024 also marked the successful completion of its inaugural solar net-metering project at the Rhodes Operations Centre. This forward-thinking initiative not only enhances operational efficiency but also contributes to the sustainability goals of the ENWIN group. As one of the largest net metering projects in Ontario, it underscores ENWIN's position as a frontrunner in the renewable energy sector, showcasing its commitment to innovation and environmental stewardship.

### **ENWIN Water Operations**

WUC is an independent utility that contracts ENWIN to manage and operate its water system through a Water System Operating Agreement (WSOA). ENWIN performs work on WUC's behalf and is compensated for these services.

In 2024, ENWIN helped WUC deliver on its \$38.4 million capital program to replace aging infrastructure and support future growth. This included the installation and replacement of more than 14 km of watermain and water services using new Polyvinyl chloride (PVC) pipe and polyethylene/copper tubing. ENWIN also installed 2.7 km of 1,200 mm diameter pipe as part of the Central Corridor Feedermain project, supporting water supply needs for a growing population and industrial base.

At the Albert H. Weeks Water Treatment Plant, ENWIN completed several key projects — the west settler rehabilitation, backwash valve replacement, and the addition of a new polymer dosing system — helping WUC maintain safe and reliable water service for Windsor, Tecumseh, and LaSalle.

# Financial Results



**\$10.8 M & \$14.8 M**

Net Income & Modified  
Net Income  
(regulatory)



**5.0% & 10.3%**

Return on Equity &  
Regulated Return on  
Equity



**\$275.1 M**

Property, Plant,  
Equipment and  
Intangible Assets



**\$56 M**

Distribution  
Revenue



**\$56.7 M**

Operating Expenses  
(Excluding Depreciation)



**\$436 M**

Total Consolidated  
Assets

# Contributions to Our Community



## \$155,000+

Awarded locally through ENWIN's Community Support Program, employee-led Grassroots Initiatives, Post-Secondary Scholarships and Corporate Sponsorships

**Employee Fundraising:** United Way's Tampon Tuesday, United Way's Backpacks for Success (**\$500 raised**), Big Brothers Big Sisters Bowl for Kids' Sake (**\$2,225 donated**), Customer Service Elves (**\$3,500 donated**, split between Windsor-Essex Children's Aid Society, and Hiatus House), S'Well Chili Cook-off fundraiser for Windsor-Essex County Food Bank Association (**\$1,500 donated**)

**Employee Volunteering:** ERCA Earth Day tree planting (**2,000+ trees planted**), Meet a Machine (approximately **10,000 attendees**), Safety Village Summer Safety Fridays, Hydro crews Riverside Banner Initiative (**raised 40 veteran banners**), Safety Village Trick-or-Treat in the Village (**800+ attendees**), City of Windsor Open Streets, Downtown Mission breakfast volunteering

**Events:** International Women's Day Panels and Networking Sessions; Workforce WindsorEssex EV Talent Development, Attraction, and Retention Toolkit; Bright Lights Windsor; Holiday themed bus; the City of Windsor Santa Claus Parade; World Water Day

## Some of the Charitable Organizations ENWIN Supported in 2024







## MEET A MACHINE 2024



Consolidated Financial Statements of

## **WINDSOR CANADA UTILITIES LTD.**

And Independent Auditor's Report thereon

Year Ended December 31, 2024

**KPMG LLP**

618 Greenwood Centre  
3200 Deziel Drive  
Windsor, ON N8W 5K8  
Canada  
Telephone 519 251 3500  
Fax 519 251 3530

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Windsor Canada Utilities Ltd.

***Opinion***

We have audited the consolidated financial statements of Windsor Canada Utilities Ltd. (the Entity), which comprise:

- the consolidated balance sheet as at December 31, 2024
- the consolidated statement of income for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities 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.

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

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

April 23, 2025

# WINDSOR CANADA UTILITIES LTD.

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Year ended December 31, 2024

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# WINDSOR CANADA UTILITIES LTD.

## Consolidated Balance Sheet


(In thousands of Canadian dollars)

December 31, 2024, with comparative information for 2023

	Notes	2024	2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	4	\$ 16,073	\$ 22,234
Investments	9	-	3,532
Accounts receivable	5	57,519	48,908
Due from related parties	23	3,926	5,007
Inventory	6	8,191	8,828
Other assets		1,989	1,786
		<b>87,698</b>	<b>90,295</b>
<b>Non-current assets:</b>			
Property, plant and equipment	7	273,747	261,513
Intangible assets	8	1,402	1,228
Investment, sinking fund	9	19,568	16,601
Investment in joint ventures	24	233	216
Due from related parties - debenture	23	52,000	52,000
Deferred income taxes	16	1,387	2,678
		<b>348,337</b>	<b>334,236</b>
<b>Total assets</b>		<b>\$ 436,035</b>	<b>\$ 424,531</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and accruals	10	\$ 31,912	\$ 30,119
Payments in lieu of income taxes payable	16	2,749	1,081
Due to related parties	23	10,787	9,391
Current portion of customer deposits	11	1,591	1,107
Deferred revenue		-	4,118
		<b>47,039</b>	<b>45,816</b>
<b>Non-current liabilities:</b>			
Customer deposits	11	7,155	6,172
Deferred revenue - customer contributions	12	21,109	19,375
Long-term debt	13	102,558	102,542
Employee future benefits	14	48,876	48,299
		<b>179,698</b>	<b>176,388</b>
<b>Total liabilities</b>		<b>226,737</b>	<b>222,204</b>
<b>Equity</b>			
Common shares	17	81,842	81,842
Contributed surplus		516	516
Retained earnings		111,965	105,196
Accumulated other comprehensive income		14,975	14,773
		<b>209,298</b>	<b>202,327</b>
Commitments and contingencies	26		
<b>Total liabilities and equity</b>		<b>\$ 436,035</b>	<b>\$ 424,531</b>

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

On behalf of the Board:

  
Director

  
Director



# WINDSOR CANADA UTILITIES LTD.

Consolidated Statement of Income  
(In thousands of Canadian dollars)

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

	Notes	2024	2023
<b>Revenue from sale of electricity:</b>			
Sale of electricity		\$ 252,515	\$ 223,670
Distribution revenue	18	56,378	53,314
		308,893	276,984
Cost of electricity purchased		253,409	227,931
<b>Gross profit</b>		<b>55,484</b>	<b>49,053</b>
<b>Other revenue:</b>			
Services provided to Windsor Utilities Commission	23	20,752	20,745
Other income	19	6,487	4,876
		<b>27,239</b>	<b>25,621</b>
<b>Operating expenses:</b>			
Operating and distribution expenses	20	36,878	37,091
Billing, collecting and administrative expenses	20	19,814	15,764
Depreciation and amortization	7, 8	12,603	11,971
		<b>69,295</b>	<b>64,826</b>
<b>Income from operating activities</b>		<b>13,428</b>	<b>9,848</b>
<b>Finance (income) expense:</b>			
Finance income	21	(5,697)	(5,747)
Finance expense	21	4,468	4,721
		<b>(1,229)</b>	<b>(1,026)</b>
<b>Income before tax</b>		<b>14,657</b>	<b>10,874</b>
<b>Income taxes:</b>			
Provision for payments in lieu of corporate taxes	16	2,671	1,721
Deferred income taxes	16	1,217	1,016
		<b>3,888</b>	<b>2,737</b>
<b>Income for the year</b>		<b>\$ 10,769</b>	<b>\$ 8,137</b>

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

# WINDSOR CANADA UTILITIES LTD.

Consolidated Statement of Comprehensive Income  
(In thousands of Canadian dollars)

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

	Notes	2024	2023
<b>Income for the year</b>		<b>\$ 10,769</b>	<b>\$ 8,137</b>
<b>Other comprehensive income (loss):</b>			
Items that will not be reclassified to the statement of income:			
Remeasurement of employee future benefits income (loss)	14	275	(3,651)
Related tax	16	(73)	967
<b>Other comprehensive income (loss)</b>		<b>202</b>	<b>(2,684)</b>
<b>Total comprehensive income for the year</b>		<b>\$ 10,971</b>	<b>\$ 5,453</b>

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

## WINDSOR CANADA UTILITIES LTD.

Consolidated Statement of Changes in Equity  
(In thousands of Canadian dollars)

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

	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance at January 1, 2023	\$ 81,842	\$ 516	\$ 101,059	\$ 17,457	\$ 200,874
Income for the year	-	-	8,137	-	8,137
Dividends declared	-	-	(4,000)	-	(4,000)
Other comprehensive loss	-	-	-	(2,684)	(2,684)
Balance at December 31, 2023	\$ 81,842	\$ 516	\$ 105,196	\$ 14,773	\$ 202,327
Income for the year	-	-	10,769	-	10,769
Dividends declared	-	-	(4,000)	-	(4,000)
Other comprehensive income	-	-	-	202	202
Balance at December 31, 2024	\$ 81,842	\$ 516	\$ 111,965	\$ 14,975	\$ 209,298

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

# WINDSOR CANADA UTILITIES LTD.

Consolidated Statement of Cash Flows  
(In thousands of Canadian dollars)

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

	Notes	2024	2023
<b>Operating activities:</b>			
Total comprehensive income for the year		\$ 10,971	\$ 5,453
Adjustments for:			
Depreciation and amortization	7,8	12,603	11,971
Amortization of deferred revenue customer contributions		(565)	(549)
Remeasurement of employee future benefits	14	(275)	3,651
Gain on investments	9	(1,975)	(2,431)
Loss on sale of property, plant and equipment	19	670	1,507
Amortization of debt issuance costs		16	16
Share in joint venture's net (income) loss		(17)	41
Income tax expense	16	2,671	1,721
Changes in non-cash operating working capital	22	(5,281)	(2,443)
Interest paid		(4,452)	(4,705)
Interest received		5,697	5,747
Income taxes paid		(1,382)	(1,122)
		<b>18,681</b>	<b>18,857</b>
<b>Investing activities:</b>			
Acquisition of property, plant, equipment and intangible assets	7, 8	(26,498)	(22,938)
Acquisition of investments	9	(1,200)	(1,200)
Investment in joint venture	24	-	(100)
Deferred revenue - customer contributions		2,526	690
Proceeds from investment		3,740	11,661
Proceeds on sale of property, plant & equipment		590	866
		<b>(20,842)</b>	<b>(11,021)</b>
<b>Financing activities:</b>			
Dividends paid		(4,000)	(4,000)
		<b>(4,000)</b>	<b>(4,000)</b>
<b>Net change in cash and cash equivalents</b>		<b>(6,161)</b>	<b>3,836</b>
Cash and cash equivalents at January 1		22,234	18,398
<b>Cash and cash equivalents at December 31</b>		<b>\$ 16,073</b>	<b>\$ 22,234</b>

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

# WINDSOR CANADA UTILITIES LTD.

The Table of Contents to Notes to the Consolidated Financial Statements  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 1. Reporting entity:

Windsor Canada Utilities Ltd. ("WCUL" or the "Corporation") is a holding company owned by its sole shareholder, the Corporation of the City of Windsor (the "City"). WCUL was incorporated in December of 1999 under the Business Corporations Act (Ontario). The principal business of WCUL is to provide strategic direction and financing to the operations of ENWIN Utilities Ltd. ("EWU"), a rate-regulated distribution company and ENWIN Energy Ltd. ("EWE"), a non-regulated service company. The address of WCUL's registered office is 4545 Rhodes Drive, Windsor, Ontario, Canada.

The principal activity of WCUL, through its wholly-owned subsidiary, EWU, is the ownership and operation of the electricity distribution grid in the City. WCUL, through its wholly-owned subsidiary, EWE, is also responsible for the provision of street lighting maintenance services to the City and sentinel lighting to the businesses of the City.

These financial statements are presented on a consolidated basis and include the following subsidiaries: EWU and EWE. Hereafter, for purposes of these notes, unless specifically referenced, any and all references to the "Corporation" refer to WCUL and its subsidiaries EWU and EWE.

On November 6, 2012, EWU and the Windsor Utilities Commission (the "Commission") entered into a Water System Operating Agreement ("WSOA"), whereby EWU agreed to provide services to the Commission with respect to operating the water treatment and distribution system. The services include: management, administrative services, construction operations, and maintenance services. EWU is responsible for providing all personnel required to operate the water system. Pursuant to the terms of the WSOA and the associated Employee Arrangement Agreement, also dated November 6, 2012, the Commission transferred all non-unionized employees and all unionized employees of the Commission to EWU. The Commission is a local board of the City.

Through its wholly-owned subsidiary, EWE, the Corporation has joint venture investments in ONtech Rapid Coatings Inc. ("ONtech") and Enertrace Services Ltd. ("Enertrace"), which are accounted for using the equity method. EWE is also the sole shareholder of ENWIN Financial Services which was renamed in December 2024 to WaveDirect Telecommunications Corporation. WaveDirect Telecommunications Corporation had no activity to report in 2024.

The Corporation's arrangements with its subsidiaries, the Commission and the City are subject to the Ontario Energy Board's ("OEB") Affiliate Relationships Code, which is a code prescribed by and issued pursuant to the Ontario Energy Board Act, 1998.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 2. Basis of preparation:

### (a) Statement of compliance:

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

### (b) Approval of the consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors on April 23, 2025.

### (c) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- (i) Where held, financial instruments at fair value through profit or loss, are measured at fair value.
- (ii) The accrued benefit related to the Corporation's unfunded defined benefit plan is actuarially determined and is measured at the present value of the defined benefit obligation.

### (d) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand dollars.

### (e) Use of estimates and judgements:

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.



# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 2. Basis of preparation (continued):

### (e) Use of estimates and judgements (continued):

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

In particular, significant areas where upon estimation was required that have the most significant effect on the amounts recognized in these consolidated financial statements, include:

- (i) Note 3(i) – Deferred revenue: determination of the performance obligation for contributions from customers and the related amortization period;
- (ii) Note 5 – Trade accounts receivables: allowance for impairment. Unbilled revenue: measurement of revenues not yet billed;
- (iii) Note 7 – Property, plant and equipment: useful lives and the identification of significant components of property, plant and equipment;
- (iv) Note 14 – Employee future benefits: measurement of the defined benefit obligation;
- (v) Note 25 – Financial instruments and risk management: valuation of financial instruments.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements, include:

- (i) The Corporation's determination that they are acting as a principal for electricity distribution and therefore have presented the electricity revenues on a gross basis.

### (f) Rate regulation:

EWU is regulated by the OEB, under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity customers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDC"), such as EWU, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 2. Basis of preparation (continued):

### (f) Rate regulation (continued):

In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that differ from IFRS. The OEB's regulatory accounting treatments require the recognition of regulatory assets and liabilities which do not meet the definition of an asset or liability under IFRS and, as a result, these regulatory assets and liabilities have not been recorded in these consolidated IFRS financial statements.

### (i) Rate setting:

The electricity distribution rates and other regulated charges of EWU are determined by the OEB. This regulated rate-setting provides LDCs with the opportunity to recover the revenue requirement associated with owning and operating the LDC. The revenue requirement represents the forecasted prudent costs, including the cost of capital, which will be reasonably necessary for the LDC to invest in the electricity grid, operate the electricity grid, and serve customers in its licenced service area.

### (ii) Rate applications:

When EWU files a "Cost of Service" ("COS") rate application, the OEB establishes the revenues required to recover the forecasted operating costs, including amortization and income taxes, of providing the regulated electricity distribution service and providing a fair return on EWU's rate base. EWU estimates electricity usage and the costs to service each customer class in order to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and any registered intervenors. Rates are approved based upon the review of evidence and information, including any revisions resulting from that review. On April 26, 2019, EWU submitted a COS application to the OEB to change distribution rates effective January 1, 2020. The application was approved by the OEB on December 5, 2019.

In the intervening years between a COS, an Incentive Regulation Mechanism ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand net of a productivity factor set by the OEB and a stretch factor determined by the relative efficiency of an electricity distributor. On August 17, 2023, EWU submitted an IRM application to the OEB to change distribution rates effective January 1, 2024. The application was approved by the OEB on December 14, 2023.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 3. Material accounting policies:

The Corporation has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

### (a) Cash and cash equivalents:

Cash and cash equivalents consist of balances with banks and investments with a maturity of approximately three months or less at the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as an investment.

### (b) Financial instruments:

All consolidated financial assets and liabilities of the Corporation are classified into one of the following categories: amortized cost, fair value through other comprehensive income, or fair value through income or loss.

The Corporation has classified its financial instruments as follows:

Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Due from related parties	Amortized cost
Investments	Fair value through income or loss
Accounts payable and accruals	Amortized cost
Due to related parties	Amortized cost
Long-term debt	Amortized cost

Financial instruments are recognized initially at amortized cost plus any directly attributable transaction costs.

Subsequent to initial recognition, financial instruments classified as fair value through income and loss are measured at fair value. The Corporation does not use derivative instruments.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

### (c) Fair value:

Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly; and

Level 3: inputs for assets and liabilities that are based on observable market data.

### (d) Inventory:

Inventory is measured at the lower of cost and net realizable value. The cost of inventory is determined on a weighted average basis. Net realizable value is determined on a replacement cost basis.

### (e) Property, plant and equipment:

#### (i) Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Borrowing costs on qualifying assets are capitalized as part of the cost of the asset and are based on the Corporation's average cost of borrowing.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

#### (ii) Subsequent costs:

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of income as incurred.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 3. Material accounting policies (continued):

### (e) Property, plant and equipment (continued):

#### (iii) Depreciation:

Depreciation is recognized in the consolidated statement of income on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives for the current and comparative years are as follows:

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Buildings	10 – 50 years
Distribution and metering equipment	8 – 80 years
Other assets	5 – 20 years

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Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within other income in the consolidated statement of income.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

### (f) Intangible assets:

#### (i) Computer software:

Computer software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

#### (ii) Amortization:

Amortization is recognized in the consolidated statement of income on a straight-line basis over the estimated useful lives of the intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative years are:

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Computer software	5 – 10 years
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Amortization methods and useful lives are reviewed at each reporting date.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

### (g) Impairment:

#### (i) Financial assets:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

All impairment losses are recognized in the consolidated statement of income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the consolidated statement of income.

#### (ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than inventory, work-in-progress and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

### (g) Impairment (continued):

#### (ii) Non-financial assets (continued):

a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of income and are allocated to reduce the carrying amount of the assets in the cash-generating unit on a pro-rata basis.

### (h) Employee future benefits:

#### (i) Pension plan:

EWU provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer, contributory, defined benefit pension plan established in 1962 by the Province of Ontario for employees of municipalities, local boards and school boards in Ontario. Both participating employers and employees are required to make plan contributions based on participating employees' contributory earnings.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension assets and liabilities information by individual employer, there is not sufficient information to enable EWU to account for the plan as a defined benefit plan. The plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in income when they are due. At December 31, 2024, the OMERS plan is in a deficit position.

#### (ii) Employee future benefits:

EWU pays certain health, dental and life insurance benefits, under unfunded defined benefit plans, on behalf of its retired employees. These benefits are provided through a group defined benefit plan. EWU is the legal sponsor of the Plan. There is a policy in place to allocate the net defined benefit cost to the entities participating in the group plan. The allocation is based on the obligation attributable to the plan participants. EWU has reflected its share of the defined benefit costs and related liabilities, as calculated by the actuary, in these consolidated financial statements.

EWU accrues the cost of these employee future benefits over the periods in which the employees earn the benefits. The accrued benefit obligations and the current service costs are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. The current service



# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

### (h) Employee future benefits (continued):

#### (ii) Employee future benefits (continued):

cost for a period is equal to the actuarial present value of benefits attributed to that period in which employees rendered their services.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. EWU determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period, taking into account any changes in the net benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated statement of income.

Gains and losses on account of curtailment of settlement of these employee future benefits are recognized immediately in income.

In accordance with the WSOA and the Employee Arrangement Agreement between the Commission and EWU, the Plan was amended such that all active Commission management and union employees were included as part of the Plan, and have their coverage sponsored by EWU. A date of December 31, 2012 was assumed by the actuary to reflect this event in the Plan.

### (i) Deferred revenue:

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. These contributions are received to obtain a connection to the distribution system in order to receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

### (j) Customer deposits:

Customer deposits include cash collections from customers, which are applied against any unpaid portion of individual customer accounts. Effective January 1, 2011, the OEB required that a customer's deposit be applied to the customer's account prior to the severance process commencing. OEB rules also specify that customer deposits in excess of unpaid account balances must be refunded to customers. Customer deposits are also refundable at EWU's discretion when a customer demonstrates an acceptable level of credit risk. EWU only

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

### (j) Customer deposits (continued):

retains commercial deposits. Customer deposits also include monies received from developers and distribution customers for services that are recorded as construction in progress and, once the assets are put into service, will be accounted for through a capital contribution.

### (k) Revenue recognition:

IFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognized.

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that EWU has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Revenue for EWU is recognized when EWU satisfies the performance obligations within the contract(s) for conditions of service, which is when the distribution and delivery of electricity is achieved or specific services are performed.

Revenue includes an estimate of unbilled revenue. Unbilled revenue represents an estimate of electricity consumed by customers since the date of each customer's last meter reading. Actual electricity usage could differ from those estimates.

Revenue is measured at the fair value of the consideration received or receivable, net of any taxes which may be applicable.

Street lighting maintenance revenue – EWE has a contract with the City to provide maintenance of the street lighting system. This contract includes replacing damaged or non-functioning street lighting. Revenue is recognized when the services have been performed. There is also a fixed component to the contract that is recognized evenly throughout the year.

Sentinel lighting revenue – EWE provides sentinel lighting equipment to customers. A monthly rental charge is earned by EWE for the use of the sentinel light equipment.

Other income for work orders is recorded on a net basis as the Corporation is acting as an agent for this revenue stream. All other amounts in other income are recorded on a gross basis and are recognized when services are rendered.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

### (l) Finance costs:

Finance costs comprise interest expense on borrowings and unwinding of the discount rate on provisions.

### (m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of income except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

Under the Electricity Act 1998, the Corporation makes payments in lieu of corporate taxes to Ontario Electricity Financial Corporation. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998 and related regulations. Payments in lieu of taxes ("PILs") are referred to as income taxes.

Current tax is the expected PILs payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statement of income in the year that includes the date of enactment or substantive enactment.

### (n) Set-off and reporting on a net basis:

Assets and liabilities and income and expenses are not offset and reported on a net basis unless required or permitted by IFRS. For financial assets and financial liabilities, offsetting is permitted when, and only when, the Corporation has a legally enforceable right to set-off and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

### (o) New standards and interpretations not yet adopted:

The following standards which are not yet effective for the year ended December 31, 2023, have not been applied in preparing these consolidated financial statements.

#### **Lack of exchangeability – Amendments to IAS 21**

On August 15, 2023, the IASB issued amendments to IAS 21. *The Effects of Changes in Foreign Exchange Rates* to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability.

The amendments apply for annual reporting periods beginning on or after January 1, 2025.

#### **Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7**

On May 30, 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9 *Financial Instruments*. The amendments will address diversity in accounting practice by making the requirements more understandable and consistent. The IASB has also amended IFRS 7 *Financial Instruments – Disclosures*. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features.

The amendments apply for annual reporting periods beginning on or after January 1, 2026.

#### **Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7**

On July 18, 2024, the IASB issued minor amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards.

These amendments, published in a single document *Annual Improvements to IFRS Accounting Standards – Volume 11*, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards.

These amendments apply for annual reporting periods beginning on or after January 1, 2026.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 3. Material accounting policies (continued):

(o) New standards and interpretations not yet adopted (continued):

### **Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7**

On December 18, 2024, the IASB issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements.

The amendments apply for annual reporting periods beginning on or after January 1, 2026.

### **Presentation and Disclosure in Financial Statements – New Standard (IFRS 18)**

On April 9, 2024, the IASB issued a new standard IFRS 18, *Presentation and Disclosure in Financial Statements*. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency.

The amendments apply for annual reporting periods beginning on or after January 1, 2027.

### **Subsidiaries without Public Accountability – New Standard (IFRS 19)**

On May 9, 2024, the IASB issued a new standard IFRS 19 *Subsidiaries without Public Accountability: Disclosures* which permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.

The amendments apply for annual reporting periods beginning on or after January 1, 2027.

The Corporation has assessed the potential impacts on its consolidated financial statements, and determined that the future pronouncements will not have a material impact on the Corporation.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 4. Cash and cash equivalents:

	2024	2023
Cash and cash equivalents	\$ 16,073	\$ 22,234
Cash and cash equivalents	\$ 16,073	\$ 22,234

The Corporation and EWU have a loan agreement with a Canadian chartered bank providing up to \$75,000 (2023 - \$75,000) bearing interest at prime minus 0.25% or Canadian Overnight Repo Rate Average (CORRA) plus 1.125%, based on current S&P rating for the Corporation, with interest accruing daily. All borrowings under this agreement are repayable by August 31, 2027. The agreement restricts the availability of the Corporation to lien assets. As of December 31, 2024, the outstanding balance in the line of credit was \$nil (2023 - \$nil).

## 5. Accounts receivable:

	2024	2023
Trade receivables	\$ 36,075	\$ 28,650
Unbilled revenue	23,567	22,303
Allowance for doubtful accounts	(2,123)	(2,045)
Accounts receivable	\$ 57,519	\$ 48,908

The Corporation's exposure to credit risk and impairment losses related to trade receivables is disclosed in Note 25.

## 6. Inventory:

Inventory consists of parts and supplies acquired for capital, internal construction, maintenance or recoverable work.

The amount of inventory consumed by the Corporation and recognized as an expense during 2024 was \$7,237 (2023 - \$6,142).

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 7. Property, plant and equipment:

### (a) Cost:

	Land and buildings	Distribution and metering equipment	Other assets	Construction -in- progress	Total
Balance at January 1, 2023	\$ 25,949	\$ 295,299	\$ 34,118	\$ 5,591	\$ 360,957
Additions	958	16,952	3,239	1,339	22,488
Disposals/retirements	(64)	(1,590)	(41)	(1,352)	(3,047)
Balance at December 31, 2023	\$ 26,843	\$ 310,661	\$ 37,316	\$ 5,578	\$ 380,398
Balance at January 1, 2024	\$ 26,843	\$ 310,661	\$ 37,316	\$ 5,578	\$ 380,398
Additions	211	17,360	5,478	5,205	28,254
Disposals/retirements	(14)	(1,591)	(663)	(2,482)	(4,750)
Balance at December 31, 2024	\$ 27,040	\$ 326,430	\$ 42,131	\$ 8,301	\$ 403,902

### (b) Accumulated depreciation:

	Land and buildings	Distribution and metering equipment	Other assets	Construction -in- progress	Total
Balance at January 1, 2023	\$ 9,695	\$ 75,463	\$ 22,887	\$ -	\$ 108,045
Depreciation charge for the year	776	8,340	2,331	-	11,447
Disposals/retirements/transfers	(5)	(568)	(34)	-	(607)
Balance at December 31, 2023	\$ 10,466	\$ 83,235	\$ 25,184	\$ -	\$ 118,885
Balance at January 1, 2024	\$ 10,466	\$ 83,235	\$ 25,184	\$ -	\$ 118,885
Depreciation charge for the year	801	8,635	2,615	-	12,051
Disposals/retirements/transfers	-	(468)	(313)	-	(781)
Balance at December 31, 2024	\$ 11,267	\$ 91,402	\$ 27,486	\$ -	\$ 130,155

### (c) Carrying amounts:

	Land and buildings	Distribution and metering equipment	Other assets	Construction -in- progress	Total
December 31, 2023	\$ 16,377	\$ 227,426	\$ 12,132	\$ 5,578	\$ 261,513
December 31, 2024	\$ 15,773	\$ 235,028	\$ 14,645	\$ 8,301	\$ 273,747



# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 8. Intangible assets:

### (a) Cost or deemed cost:

		Computer software
Balance at January 1, 2023	\$	32,258
Additions		450
Balance at December 31, 2023	\$	32,708
Balance at January 1, 2024	\$	32,708
Additions		726
Balance at December 31, 2024	\$	33,434

### (b) Accumulated amortization:

		Computer software
Balance at January 1, 2023	\$	30,956
Amortization charge for the year		524
Balance at December 31, 2023	\$	31,480
Balance at January 1, 2024	\$	31,480
Amortization charge for the year		552
Balance at December 31, 2024	\$	32,032

### (c) Carrying amounts:

		Computer software
December 31, 2023	\$	1,228
December 31, 2024	\$	1,402

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 9. Investments:

EWE previously held a short-term deposit at a rate of 5.95% which matured on December 28, 2024. The proceeds from this maturity were transferred into cash and cash equivalents as of December 31, 2024.

	2024	2023
Investment:		
Term deposit	\$ -	\$ 3,532
Total investment	\$ -	\$ 3,532

In 2014, a sinking fund was established with the intent to ensure sufficient funds are available to settle debentures issued November 6, 2012, with a maturity date of November 6, 2042, in the amount of \$103,000. There are no restrictions with this investment. Annual payments are expected to be completed to satisfy the obligation.

This investment is recorded at fair value as of December 31, 2024, and is invested in fixed income and equity markets as established by the Corporation's investment policy.

	2024	2023
Investment:		
Sinking fund	\$ 19,568	\$ 16,601
Investment, sinking fund	\$ 19,568	\$ 16,601

## 10. Accounts payable and accruals:

	2024	2023
Trade payables	\$ 21,597	22,170
Accrued expenses	10,315	7,949
	\$ 31,912	\$ 30,119

Information about the Corporation's exposure to currency and liquidity risk is included in Note 25.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 11. Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

Customer deposits comprise:

	2024	2023
Customer deposits	\$ 4,653	\$ 3,544
Construction deposits	4,093	3,735
	8,746	7,279
Less: current portion	(1,591)	(1,107)
	\$ 7,155	\$ 6,172

## 12. Deferred revenue – customer contributions:

Deferred revenue relates to the capital contributions received from customers and others. The amount of deferred revenue received from customers is \$21,109 (2023 - \$19,375). Deferred revenue is recognized as revenue on a straight-line basis over the life of the asset for which the contribution was received.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 13. Long-term borrowings:

Long-term borrowings comprise:

	2024	2023
Debentures payable	\$ 103,000	\$ 103,000
Less: debt issuance costs	(442)	(458)
	\$ 102,558	\$ 102,542

Senior unsecured debentures, which have a maturity date of November 6, 2042, and bearing interest at a rate of 4.134% per annum, were issued on November 6, 2012. Interest is payable in equal semi-annual instalments, in arrears, on May 6 and November 6 each year commencing May 6, 2013, until maturity. The debentures are represented by a single Global Debenture Certificate registered in the name of CDS & Co. In order to put the debentures in place, EWU incurred debt issuance costs in the amount of \$601. The debentures require semi-annual interest payments to 2042 of \$2,129, with a final principal payment of \$103,000 due November 6, 2042.

The Corporation incurred interest expense in respect of the debentures of \$4,258 (2023 - \$4,258), which is recognized as part of finance expense on the consolidated statement of income.

The Commission is a guarantor of \$52,000 in relation to the debentures and is a borrower of that same amount from WCUL pursuant to a revolving credit agreement also entered into on November 6, 2012. The Commission is obligated to make due and punctual payments of the principal and applicable interest on each debenture on their due dates, on maturity, on redemption or on acceleration.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 14. Employee future benefits:

EWU pays certain health, dental and life insurance benefits on behalf of its retired employees. Significant assumptions underlying the actuarial valuation include management's best estimate of the interest (discount) rate, mortality decrement, the average retirement age of employees, employee turnover and expected health and dental care costs.

The Plan was amended such that all active Commission management and union employees covered under the Commission collective agreement from July 1, 2012, would be included as part of the Plan and have their coverage sponsored by EWU. The December 31, 2012 date was chosen to reflect this event in the Plan. Reference Note 1 for further information.

EWU measures its accrued benefit liability for accounting purposes as at December 31 each year. A valuation date of October 31, 2022, with extrapolation to December 31, 2024, has been used to calculate the current obligation. EWU's employee future benefit liability consists of the following:

	2024	2023
Defined benefit liability	\$ 48,876	\$ 48,299
Employee future benefits, end of year	\$ 48,876	\$ 48,299

Information about EWU's unfunded defined benefit plan is as follows:

Changes in the present value of the defined benefit liability:

	2024	2023
Defined benefit liability, beginning of year	\$ 48,299	\$ 43,729
Defined benefit expense	3,105	3,020
Actuarial (gain)/loss on liability recognized in other comprehensive income	(275)	3,651
Benefits paid for the year	(2,253)	(2,101)
Defined benefit liability, end of year	\$ 48,876	\$ 48,299



# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 14. Employee future benefits (continued):

Components of defined benefit expense recognized are as follows:

	2024	2023
Current service cost	\$ 776	\$ 703
Past service cost	130	125
Interest cost	2,199	2,192
Defined benefit expense	\$ 3,105	\$ 3,020

The defined benefit expense for the year is recognized as administrative expense on the consolidated statement of income.

The main actuarial assumptions underlying the valuation are as follows:

### (a) Health care cost trend rates:

The health care cost trend for prescription drugs is estimated to increase at 5.9% in 2025, and grading down to 4.0% by 2041. Other health expenses are estimated to increase 4.76% in 2025, and grading down to 4.0% by 2041. Dental expenses are estimated to increase at 4.0% per year.

### (b) Financial instruments:

The liabilities at the period end and the present value of future liabilities were determined using a discount rate of 4.7% (2023 – 4.6%) representing an estimate of the yield on high quality corporate bonds as at the valuation date.

### (c) Mortality decrement:

The rates applicable to public sector retirees in the 2014 Canadian Pensioners Mortality table produced by the Canadian Institute of Actuaries were used as the basis of these assumptions.

A 1% or one year change in actuarial assumptions, assuming all other factors remain constant, has the following impact on the defined benefit liability carrying amount:

	2024		2023	
	Increase	Decrease	Increase	Decrease
Health care trend rate (1% change)	\$ 7,482	\$ (6,013)	\$ 7,041	\$ (5,752)
Discount rate (1% change)	(6,168)	7,771	(6,273)	7,821
Mortality (1 year)	1,890	(1,752)	1,762	(1,720)

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 15. Pension plan:

EWU participates in OMERS, a multi-employer plan, on behalf of its employees. The plan has been accounted for as a defined contribution plan. Contributions during the year were 9.0% (2023 - 9.0%) for employee earnings below the year's maximum pensionable earnings and 14.6% (2023 - 14.6%) thereafter. During 2024, EWU expensed contributions totalling \$3,295 (2023- \$3,108) made to OMERS in respect of the employer's required contributions to the plan. Estimated contributions for 2025 are \$3,574.

## 16. Income taxes (provision for payment in lieu of corporate taxes):

	2024	2023
Current provision for payments in lieu of corporate tax expense:		
Current year	\$ 2,679	\$ 1,721
Adjustments for prior years	(8)	-
Deferred income tax expense:		
Origination and reversal of temporary differences	770	27
Adjustments for prior years	520	22
Tax related to remeasurement of employee future benefits	(73)	967
<b>Total income taxes expense</b>	<b>\$ 3,888</b>	<b>\$ 2,737</b>

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 16. Income taxes (provision for payment in lieu of corporate taxes) (continued):

The provision for income taxes varies from amounts which would be computed by applying the Corporation's combined statutory income tax rate as follows:

	2024	2023
Basic rate applied to total comprehensive income before income tax	26.50%	26.50%
Change in income tax resulting from:		
Adjustments for prior years	3.91%	0.22%
Items not deductible for tax purposes and other	(3.88%)	(1.55%)
Effective rate applied to comprehensive income before income taxes	26.53%	25.17%

The components of the deferred income tax assets and liabilities are summarized as follows:

	2024	2023
Deferred tax assets:		
Employee benefits	\$ 7,179	\$ 7,026
Regulatory assets	2,059	2,593
Share of joint venture's net (income) loss	43	48
Other	264	310
Deferred tax liabilities:		
Property, plant and equipment	(8,092)	(7,219)
Other	(66)	(80)
Net deferred income tax asset	\$ 1,387	\$ 2,678

At December 31, 2024, a deferred tax asset of \$1,387 (2023 - \$2,678) has been recorded. The utilization of this tax asset is dependent on future taxable income in excess of income arising from the reversal of existing taxable temporary differences. The Corporation believes that this asset should be recognized as it will be recovered through future rates.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 17. Share capital:

	2024	2023
Authorized:		
Unlimited common shares		
Issued:		
2,000 common shares	\$ 81,842	\$ 81,842

## 18. Distribution revenue:

EWU generates revenue primarily from the sale and distribution of electricity to its customers. Other revenue consists of services provided to related parties and other income. Additional information is provided in Note 19 with the components of other income.

In the following table, distribution revenue is disaggregated by type of customer:

	2024	2023
Residential	\$ 29,791	\$ 28,329
General service – small distribution	20,261	18,994
General service – large distribution	4,523	4,278
Street lighting distribution	1,803	1,713
Total distribution revenue	\$ 56,378	\$ 53,314

## 19. Other Income:

Other income comprises:

	2024	2023
Change in occupancy	\$ 337	\$ 333
Late payment and collection charges	512	433
Other operating revenues	332	261
Loss on disposal of property, plant and equipment	(670)	(1,507)
Pole attachment revenue	1,438	1,352
Sale of scrap	234	132
Sewer surcharge billing and collecting	2,614	2,520
Street lighting maintenance and sentinel light rental	1,673	1,393
Share in joint ventures' net gain (loss)	17	(41)
Total other income	\$ 6,487	\$ 4,876

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 20. Employee benefits:

Employee benefit amounts are allocated between Operating and Distribution expenses and Billing, Collecting and Administration expenses.

	Note	2024	2023
Salaries and benefits		\$ 40,809	\$ 38,042
Contributions to multi-employer plan	15	3,295	3,108
Expenses related to defined benefit plans	14	3,105	3,020
		\$ 47,209	\$ 44,170

## 21. Finance (income) expense:

	2024	2023
Finance income:		
Interest income on loans to affiliate	\$ (2,150)	\$ (2,150)
Interest income on bank balances	(1,572)	(1,166)
Income on sinking fund investment	(1,767)	(1,721)
Income on investments	(208)	(710)
	(5,697)	(5,747)
Finance expense:		
Interest expense on long-term borrowings	4,258	4,258
Amortization of debt issuance costs	16	16
Other	194	447
	4,468	4,721
Net finance income	\$ (1,229)	\$ (1,026)



# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 22. Changes in non-cash operating working capital:

Changes in non-cash operating working capital comprises:

	2024	2023
Net finance expense	\$ (1,245)	\$ (1,042)
Accounts receivable	(8,611)	(2,925)
Due from related parties	1,081	(1,357)
Inventory	637	(2,390)
Other assets	(203)	466
Deferred income taxes	1,291	164
Accounts payable and accruals	1,793	2,156
PIL of income taxes	379	(732)
Due to related parties	1,396	1,540
Deferred revenue	(4,118)	29
Customer deposits	1,467	729
Employee future benefits	852	919
Total changes in non-cash operating working capital	\$ (5,281)	\$ (2,443)

## 23. Related party transactions:

### (a) Parent and ultimate controlling party:

The parent of the Corporation is the City. The City produces consolidated financial statements that are available for public use.

### (b) Key management personnel:

The key management personnel of the Corporation has been defined as members of its board of directors and executive management team members.

Key management compensation:

	2024	2023
Salaries and other short-term benefits	\$ 1,495	\$ 1,312
Employee future benefits	17	16
	\$ 1,512	\$ 1,328

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 23. Related party transactions (continued):

### (c) Transactions with parent:

EWU provides waste water billing and related services for the City, for which EWU charges a fee. The total amount charged to the City for the year ended December 31, 2024, was \$2,614 (2023 - \$2,520). The fee charged for the waste water billing and related services were recognized as other income from operations on the consolidated statement of income.

EWU collects and remits the waste water billing amounts on behalf of the City. The total amount owing to the City at December 31, 2024, relating to waste water billing was \$10,787 (2023 - \$9,391).

EWU has issued a standby letter of credit to the City in the amount of \$300 (2023 - \$300) as an indemnity deposit for municipal consent permits. There was no amount owing on this facility at December 31, 2024.

EWE provides street lighting maintenance services to the City. The total amount charged to the City for the year ended December 31, 2024, relating to street lighting maintenance services was \$1,586 (2023 - \$1,306) and is recorded as part of other income from operations in the consolidated statement of income.

### (d) Transactions with entities under common control:

On November 6, 2012, EWU and the Commission entered into a WSOA, whereby EWU agreed to provide services to the Commission with respect to the operation of the Commission's water system. The total amount charged to the Commission for the year ended December 31, 2024, was \$20,752 (2023 - \$20,745).

### (e) Amounts due from (to) related parties:

The amounts due from related parties consist of:

	2024	2023
Due from companies under common control:		
Due from Windsor Utilities Commission	\$ 3,228	\$ 4,660
Due from joint ventures:		
Due from ONtech Rapid Coatings Inc.	6	7
Due from Enertrace Services Ltd.	-	3
Due from parent:		
Due from the Corporation of the City of Windsor	692	337
	\$ 3,926	\$ 5,007

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 23. Related party transactions (continued):

(e) Amounts due from (to) related parties (continued):

The amounts due from the City and the Commission are due on demand and are non-interest bearing. These amounts have no specified repayment terms

Long term receivable due from related parties consist of:

	2024	2023
Due from Windsor Utilities Commission, debenture	\$ 52,000	\$ 52,000
Due from related parties – debenture	\$ 52,000	\$ 52,000

The amount due from the Commission, debenture is pursuant to the revolving credit agreement entered into by the Commission and the Corporation.

The amounts due to related parties consist of:

	2024	2023
Due to parent:		
Due to the Corporation of the City of Windsor	\$ 10,787	\$ 9,391
	\$ 10,787	\$ 9,391

The amount due to the City is non-interest bearing.

## 24. Investment in joint ventures:

ONtech Rapid Coatings Inc. ("ONtech") is a Canadian controlled private corporation in which EWE has joint control and a 50% ownership interest as a result of purchasing fifty common shares for the amount of fifty dollars. ONtech was founded by EWE and Tessonics Inc. and is principally engaged to offer low pressure cold spray solutions. The address of ONtech's registered office is 787 Ouellette Avenue, Windsor, Ontario, Canada.

Enertrace Services Ltd. ("Enertrace") is a Canadian controlled private corporation in which EWE has joint control and a 50% ownership interest as a result of purchasing fifty common shares for the amount of fifty dollars. Enertrace was founded by EWE and Essex Energy Corporation and is principally engaged to offer underground infrastructure location and marking services prior to construction. The address of Enertrace's registered office is 4545 Rhodes Drive, Windsor, Ontario, Canada.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 24. Investment in joint ventures (cont'd):

Both ONtech and Enertrace are structured as separate legal entities and EWE has a residual interest in their net assets. Accordingly, the Corporation has classified its interests in ONtech and Enertrace as joint ventures, which are accounted for using the equity method.

## 25. Financial instruments and risk management:

The carrying values of cash and cash equivalents, accounts receivable, amounts due from (to) related parties, investment, accounts payable and accruals approximate fair values because of the short maturity of these instruments.

The following table illustrates the classification of the corporation's financial instruments using the fair value hierarchy as at December 31:

Assets	2024			2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Investments	\$ -	\$ -	\$ -	\$ -	\$ 3,532	\$ 3,532
Investment, sinking fund	9,026	10,542	19,568	7,340	9,261	16,601
	\$ 9,026	\$ 10,542	\$ 19,568	\$ 7,340	\$ 12,793	\$ 20,133

The fair value of the investments is \$19,568 (2023 - \$20,133). The fair value is calculated based on the quoted market price in the active markets.

The Corporation's activities provide for a variety of financial risks, particularly credit risk, market risk and liquidity risk.

### (i) Credit risk:

The aging of accounts receivables at the reporting date was:

	2024	2023
Not past due	\$ 45,867	\$ 44,840
Past due 0 – 30 days	8,075	1,924
Past due 31 – 60 days	1,710	997
Greater than 60 days	3,990	3,192
	\$ 59,642	\$ 50,953

Financial assets carry credit risk that a counter-party will fail to discharge an obligation which would result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 25. Financial instruments and risk management (continued):

### (i) Credit risk (continued):

customers located in the City of Windsor. No single customer accounts for greater than 5.7% (2023 – 5.4%) of revenues.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in the consolidated statement of income. Subsequent recoveries of receivables previously provisioned are credited to the consolidated statement of income. The balance of the allowance for impairment at December 31, 2024 was \$2,123 (2023 - \$2,045).

A continuity of the allowance for doubtful accounts is as follows:

	2024	2023
Balance, beginning of year	\$ 2,045	\$ 1,911
Accounts receivable balances written off	(820)	(827)
Change in provisions for doubtful accounts	898	961
Balance, end of year	\$ 2,123	\$ 2,045

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2024, approximately \$3,990 (2023 - \$3,192) is considered 60 days past due. Credit risk is managed through collection of security deposits from customers in accordance with OEB regulation. As of December 31, 2024, the Corporation holds security deposits in the amount of \$4,653 (2023 - \$3,544).

### (ii) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest expense. The Corporation has access to a line of credit and monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.



# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

## 25. Financial instruments and risk management (continued):

### (ii) Liquidity risk (continued):

The following are the contractual maturities of financial liabilities:

2024	6 Months or less	6-12 Months	1-2 years	More than 2 years	Other non cash adjustments	Carrying amount
Accounts payable and accruals	\$ 31,912	\$ -	\$ -	\$ -	\$ -	\$ 31,912
Due to related parties	10,787	-	-	-	-	10,787
Customer deposits	795	796	1,591	5,564	-	8,746
Long-term borrowings	-	-	-	103,000	(442)	102,558
	\$ 43,494	\$ 796	\$ 1,591	\$ 108,564	\$ (442)	\$ 154,003

2023	6 Months or less	6-12 Months	1-2 years	More than 2 years	Other non cash adjustments	Carrying amount
Accounts payable and accruals	\$ 30,119	\$ -	\$ -	\$ -	\$ -	\$ 30,119
Due to related parties	9,391	-	-	-	-	9,391
Customer deposits	553	554	1,107	5,065	-	7,279
Long-term borrowings	-	-	-	103,000	(458)	102,542
	\$ 40,063	\$ 554	\$ 1,107	\$ 108,065	\$ (458)	\$ 149,331

### (iii) Market risk:

Market risk primarily refers to the risks of loss that result from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation is exposed to market risks within the investment portfolio. A portion of the portfolio is invested in equities which are subject to market forces. For sensitivity purposes, a 1% change would result in a change of \$90 (2023 - \$73) on the consolidated balance sheet and consolidated statement of income.

### (iv) Capital disclosures:

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## 25. Financial instruments and risk management (continued):

### (iv) Capital disclosures (continued):

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2024, shareholder's equity amounts to \$209,298 (2023 - \$202,327) and long-term debt amounts to \$102,558 (2023 - \$102,542).

Through rate-setting, the OEB determines the prudent costs of capital that are recoverable by EWU in relation to the distribution business. These costs of capital are the interest on debt and return on equity. The OEB permits recovery on the basis of a deemed capital structure of 60% debt and 40% equity. The actual capital structure for the Corporation may differ from the OEB deemed structure.

The Corporation has customary covenants typically associated with long-term debt. The Corporation is in compliance with all credit agreement covenants and limitations associated with its long-term debt.

### (v) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is subject to variable interest rate cash flow risk with respect to its investments. The Corporation has addressed this risk by entering into fixed interest rates on invested funds and debts.

### (vi) Currency risk:

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to currency risk through its foreign currency denominated bank and investment accounts. A weakening or strengthening of the Canadian dollar can affect the cash flows. This risk is monitored by investment managers and the exposure is limited to these accounts. For sensitivity purposes, a 1% change in the Canadian dollar would result in a change of \$59 (2023 - \$50) on the consolidated balance sheet and consolidated statement of income.

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
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## 26. Commitments and contingencies:

### Contingencies

#### *General*

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

#### *General liability insurance*

The Corporation is a member of the Municipal Electrical Association Reciprocal Insurance Exchange ("MEARIE"), a self-insurance plan that pools the liability risks of all the Municipal Electric Utilities in Ontario. Members of MEARIE would be assessed on a pro-rata basis should losses be experienced by MEARIE for the years in which the Corporation was a member.

To December 31, 2024, the Corporation has not been made aware of any additional assessments that have not been accrued.

## 27. Regulatory assets and liabilities:

Under IFRS, there is no recognition of regulatory assets or liabilities, and therefore, the impacts of these transactions are reflected on the consolidated statement of income, as applicable. As a result of not recognizing rate-regulated assets and liabilities, the effect was to decrease comprehensive income as follows:

	2024	2023
Gross income:		
Retail settlement variance	\$ (1,701)	\$ (1,598)
Expenses:		
Property, plant and equipment	(4,505)	(4,295)
Future PILS	(1,210)	(1,025)
Regulatory adjustment for IFRS conversion	3,252	3,104
Disposition and recovery of regulatory balances	2,089	(1,426)
Pole attachment revenue	(248)	(307)
Interest expense (net of interest revenue)	(29)	(260)
Incremental cloud computing arrangement implementation	(1,588)	-
Low-income Energy Assistance Program (LEAP)	(70)	-
Other	5	4
Decrease in comprehensive income	\$ (4,005)	\$ (5,803)

# WINDSOR CANADA UTILITIES LTD.

Notes to the Consolidated Financial Statements (continued)  
(in thousands of Canadian dollars)

Year ended December 31, 2024

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## **28. Subsequent events:**

On January 1, 2025, the Corporation reduced its investment in EWU by converting \$31,007 of common shares into an intercompany promissory note receivable. The note receivable has no specified repayment terms but requires an interest only payment adjustable to the OEB's deemed long-term debt rate in effect for EWU at the time of the COS, which is 3.82%.

On February 12, 2025, WaveDirect Telecommunications Corporation, a wholly owned subsidiary of EWE, purchased the physical assets along with prepaid assets, customer deposits, unearned revenue and assumed all customer contracts from WaveDirect Telecommunications Ltd. for \$3,726. The business provides services to both urban and rural communities in Southwestern Ontario with a variety of internet offerings including both wired and wireless technologies in addition to providing television services. Through its wholly owned subsidiary, EWE, the Corporation has recorded legal and consulting fees amounting to \$110 for negotiations related to acquisition of these assets in its consolidated statement of comprehensive income for the year ended December 31, 2024.

On March 12, 2025, the Corporation entered into an agreement to acquire all of the shares of E.L.K Energy Inc. (ELK) from The Town of Essex. The acquisition will expand WCUL's principal activity, as ELK is the owner and operator of the electricity distribution grid in the communities of Belle River, Comber, Cottam, Essex, Harrow and Kingsville in Ontario, Canada. The transaction will be financed through a combination of cash and the use of the existing credit facility. The acquisition date and consideration will be determined once approval from the OEB is received.

## **29. Comparative figures:**

Certain reclassifications have been made to the prior year's consolidated financial statements to enhance comparability with the current year's consolidated financial statements. There was no impact on current or prior year's net income. Comparative figures have been adjusted to conform to the current year's presentation.

