

# CONNECTING

## 2020-2021 ANNUAL REPORT





**We wish to acknowledge that the land in Canada where the Gordie Howe International Bridge project is being constructed sits on Anishinaabe Territory. The Anishinaabeg in the Windsor area are known as the Three Fires Confederacy which consists of the Ojibwe, Odawa, and Potawatomi Nations. This land has also served as a place of refuge for the Huron/Wendat people.**

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# MESSAGE FROM THE CHAIR



DWIGHT DUNCAN  
CHAIR, WDBA BOARD OF DIRECTORS

This year we are celebrating “connecting.” It is easy to make an analogy between building a bridge and connecting the economies of two countries – but our project means much more than that. It is about the connections we make with communities, businesses and stakeholders on both sides of the border.

Fiscal year 2020-2021 began just weeks after the global pandemic was declared and changed almost every aspect of our world. It was a year in which we had to adapt to the new norms of working remotely and to rethink how best to remain connected with each other and with those directly engaged on the project.

Windsor-Detroit Bridge Authority (WDBA) responded rapidly to the pandemic. We implemented rigorous health and safety standards to protect our team as they continued to work on the Gordie Howe International Bridge project. We initiated a remote work policy for many of our employees. Our Board met remotely. We took an innovative approach to maintain our outreach to communities in Canada and the US. Through it all, and despite the challenges posed by the pandemic, we remained connected.

Over the past fiscal year, WDBA continued to execute on its strategic objectives. This includes delivering on our mandate – oversight of the construction of the Gordie Howe International Bridge project. We held joint sessions with Bridging North America’s (BNA) Boards and executive to help strengthen our relationship. We also sustained a successful engagement and communications strategy, to ensure our stakeholders were kept informed. Importantly, we started our operational readiness planning to support transition from the construction phase of the project to being ready for the first vehicle to cross the bridge.

Our successes over the past fiscal year are due to the dedication of our staff, our partners at the Michigan Department of Transportation (MDOT) and our Board of Directors. Work is supported through the engagement of Canada Border Services, Canadian Food Inspection Agency, US Customs and Border Protection and US General Services Administration. Thank you for your individual and collective contributions. I would also like to thank the Government of Canada representatives we work with each day for their ongoing trust and support.

As a Crown corporation, we are committed to maintaining our connections and we look forward to continued success over the years to come.

Stay safe and healthy,

A handwritten signature in black ink, appearing to read "Dwight Duncan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dwight Duncan  
Chair

Twitter: @DwightDuncan

LinkedIn.com/in/DwightDuncan

# MESSAGE FROM THE CEO



BRYCE PHILLIPS  
CEO, WDBA

Fiscal year 2020-2021 was a year of challenges and of accomplishments. While the worldwide pandemic dramatically impacted the way we led our daily personal and business lives, WDBA made great strides in our work to deliver the Gordie Howe International Bridge project.

Our staff was able to seamlessly pivot from working in our offices with their colleagues, to working remotely. The change in work environment however, did not reflect a change in our productivity. We continued our oversight of the project and significant progress was achieved on all four components – the Canadian and US Ports of Entry (POE), the Michigan Interchange and the bridge itself.

Much of that progress is visible. You can see the massive bridge towers beginning to rise on both sides of the border. The POE lands are ready for building construction. The work underway on the Michigan Interchange has been dramatic, with the removal of existing road and pedestrian bridges to make way for new, improved structures. Our progress is documented on the project website and I invite you to view the pictures and videos at [www.gordiehoweinternationalbridge.com](http://www.gordiehoweinternationalbridge.com).

As our progress is changing the landscape of Windsor and Detroit, so is our work in positively changing the economic, social and environmental conditions for communities on both sides of the border. We have established connections with our stakeholders, have kept them informed, and have responded to their needs. The Gordie Howe International Bridge Community Benefits Plan has received accolades from community members and has been cited as a benchmark for socially responsible public procurement that provides positive benefits.

In all that we do, we consider the financial and nonfinancial impacts of our operations by integrating environmental, social and economic dimensions in our management approach. We are committed to taking sustainability into consideration in our decisions, when carrying out construction of the Gordie Howe International Bridge project and in our organizational management.

Our work has not gone unnoticed. The past year, WDBA and the project itself have been recognized by professional associations and academic associations.

Strong connections with our employees, our stakeholders, our partners, our communities and the environment is core to our values as an organization and critical to our success and continued innovation.

I want to thank our WDBA team for embracing our corporate statements and for their incredible dedication, perseverance and commitment both in fiscal year 2020-2021 and as we face our new reality.

Yours in health and safety during these ever-changing times,

A handwritten signature in blue ink that reads "Bryce Phillips". The signature is fluid and cursive.

Bryce Phillips  
Chief Executive Officer

Twitter: @WDBA\_CEO    LinkedIn.com/in/BrycePhillips

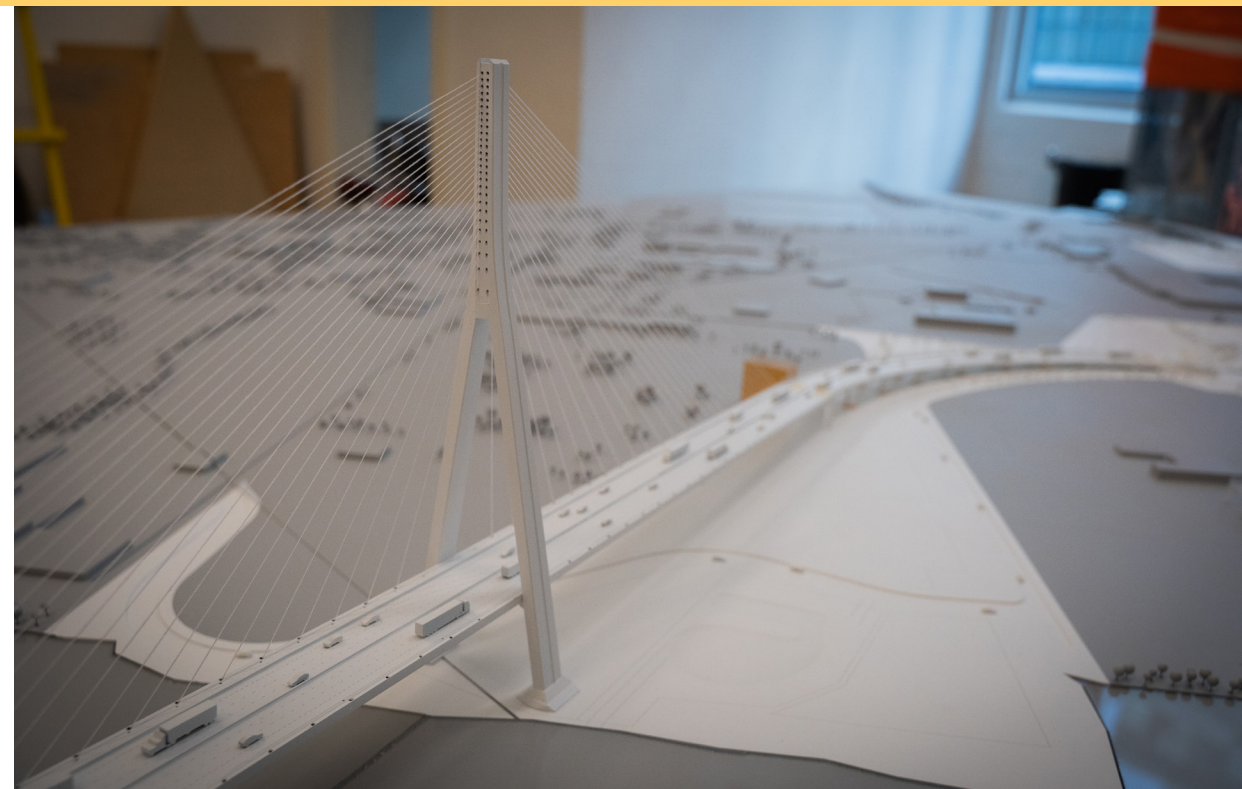
# WHO WE ARE

**“WDBA is committed to making a positive difference together with our people, our stakeholders, our partners and our communities.”**

*Bryce Phillips, CEO, Windsor-Detroit Bridge Authority*

## About us

Windsor-Detroit Bridge Authority (WDBA) is a Canadian Crown corporation created in 2012. WDBA is responsible for the delivery of the Gordie Howe International Bridge project between Windsor, Ontario and Detroit, Michigan through a public-private partnership (P3). As such, we are responsible for project oversight of our private-sector partner, BNA, during the construction and operation of the new crossing. As the operator of the new bridge, WDBA will set and collect all tolls. WDBA reports to Parliament through the Minister of Infrastructure and Communities. It is wholly owned by the Government of Canada and the powers necessary to carry out the Crown corporation’s mandate are vested in the board that directs it.



## Mandate

Under the terms of its Letters Patent and of the Crossing Agreement, WDBA is responsible for carrying out the obligations of the Crossing Authority as a party to the Crossing Agreement and to construct, and/or operate the Gordie Howe International Bridge.

## Governance

As a Crown corporation, WDBA is accountable to Parliament through the Minister of Infrastructure and Communities. As per the *Financial Administration Act* (FAA), the duties and responsibilities of the board are to set corporate objectives and direction, ensure good governance, monitor financial performance, approve budgets and financial statements, approve policies and by-laws, as well as ensure that risks are identified and managed.

## Mission

To construct and/or operate the Gordie Howe International Bridge, alone or together, with one or more governmental authorities, and to do so directly or under one or more public-private partnership agreements (P3 Agreements) with one or more private sector Concessionaires procured through a competitive procurement process as contemplated by the Crossing Agreement.

## International Authority

The International Authority is a joint Canada–Michigan governance entity responsible for monitoring compliance of WDBA with the Crossing Agreement signed by Canada and Michigan.

The International Authority consists of six members with equal representation from Canada and Michigan. Two members are appointed by Canada, one appointed by WDBA and three appointed by Michigan.

During 2020/2021, there were:

- 6** International Authority Meetings
- 17** Board Meetings
- 4** Meetings of the Audit Committee
- 8** Meetings of the Governance and Human Resources Committee
- 5** Meetings of the Communications and Outreach Committee

# ABOUT US

## Board of Directors

WDBA is led by a Chief Executive Officer (CEO) and governed by a board of directors who are responsible for overseeing the business activities and other affairs of WDBA. The board is comprised of up to nine members, including the CEO. All directors are appointed by the Government of Canada with the Chair and CEO holding office for five years and the directors holding office for up to four years.

Dwight Duncan – Chair  
 Karla Avis  
 Marie Campagna  
 Judi Cohen  
 Shelly Cunningham  
 André Juneau  
 Rish Malhotra  
 Michael Mueller  
 Bryce Phillips

## Executive Team

The executive team oversees WDBA's day-to-day operations in accordance with the direction of the Board of Directors.

Bryce Phillips – Chief Executive Officer  
 Dries Brand – Vice President, Project Management  
 Heather Grondin – Vice President, Corporate Affairs and External Relations  
 Ann Herten – Vice President, Human Resources  
 Grant Hilbers - Vice President, Special Projects (Michigan Liaison)  
 Leslie Martin – Executive Vice President, Engineering and Operations  
 Mike St. Amant – Chief Financial and Administrative Officer  
 Vicky Tuquero – General Counsel

## International Authority

Kristine Burr – Chair, appointed by Canada  
 David Alade – appointed by Michigan  
 Eddie Francis – appointed by WDBA  
 Michael D. Hayes – appointed by Michigan  
 Birgit M. Klohs – appointed by Michigan  
 Roy Norton – appointed by Canada



**100% OF OUR EMPLOYEES  
 WERE PROVIDED TOOLS  
 AND TECHNOLOGY  
 ENABLING THEM TO WORK  
 REMOTELY**



**WE CELEBRATED  
 7 YEARS OF WDBA  
 OPERATIONS**



**TOTAL  
 WORKFORCE  
 92 EMPLOYEES**  
(EXCLUDING CO-OP STUDENTS)

## Gender-Based Analysis Plus

WDBA recognizes the importance of Gender-based Analysis Plus (GBA+) and is implementing the strategies to grow a diverse workforce. Additionally, WDBA will continue to apply a diversity and inclusion lens when developing its policies and programs.

WDBA provided GBA+ training to its executive team and Corporate Culture and Corporate Policy Committees. It has also provided diversity, inclusion and unconscious bias training to all staff. WDBA has surveyed its workforce and, based on the results, will continue to develop the necessary actions to support a diverse and inclusive workforce.

In terms of representation, there is a visible and equitable representation from women within WDBA's Board and staff.

# COVID-19 RESPONSE



**450+** on-site screening questionnaires collected, demonstrating effective training as protocols were followed



**104** WDBA employees received return to office and on-site training including safe work procedures and safety measures



**210** communications shared with office and construction site staff



**100+** hours spent by the Pandemic Task Force researching and developing response plan, health and safety protocols and employee manuals

It is often said that times of crisis reveal our true character.

The unprecedented global pandemic has tested our resilience. But it also has shown how we can adapt and persevere.

Since the early days of COVID-19, WDBA decisions have been based on one single bottom line – the health, safety and wellbeing of staff, partners and stakeholders are WDBA's top priority.

**“Despite challenges which have impacted all of us during the pandemic, we have collectively achieved milestones and will continue to do so as we build a legacy landmark that our two nations will be proud of – the Gordie Howe International Bridge.”**

*Dwight Duncan, Chair, WDBA Board of Directors*

WDBA responded immediately and closed offices in Canada and the US while following public health protocols. WDBA provided tools to staff to work remotely ensuring their safety, and the safety of their families and neighbouring communities. New technology was deployed to allow employees to work remotely, process invoices, procure goods and services and to continue engagement with stakeholders.

A Pandemic Task Force was established and its members spent countless hours holding meetings and researching and developing a pandemic response plan, COVID-19 Health and Safety protocols, a plan to re-open offices and worksites and an employee orientation manual.

WDBA employees have risen to the challenge. They found new ways to solve problems and used new technology to connect with partners and stakeholders by moving community meetings and the Annual Public Meeting online.

WDBA's executive team has pledged to support all staff and keep them informed through a series of virtual meetings and communications initiatives helping to keep WDBA's people safe while continuing to live our Corporate Statements.

# PROJECT OVERVIEW



The Bridge

The Gordie Howe International Bridge has a cable-stayed design with a white-to-dark grey colour. It is approximately 2.5 kilometres/1.5 miles long and has a clear span of 853 metres/0.53 miles – the longest main span of any cable-stayed bridge in North America. The bridge towers are being constructed on land and, once complete, will reach 220 metres/722 feet in height, making them among the tallest structures in the region. The bridge will have six lanes, three Canadian-bound and three US-bound. There will be a dedicated, toll-free, multi-use path for pedestrians and cyclists. The bridge deck will be 42 metres/138 feet above the Detroit River. One approach bridge on each side of the crossing will connect the main span to the POEs.



Canadian Port of Entry (POE)

The Canadian POE will be the largest Canadian inspection facility along the Canada-US border and one of the largest anywhere in North America. It covers 53 hectares/130 acres with a total building space of 12,438m<sup>2</sup>/133,881ft<sup>2</sup>. There will be inbound and outbound border inspection facilities for both passenger and commercial vehicles, toll collection facilities for both US-bound and Canada-bound traffic, 24 primary inspections booths and various buildings located within the POE. The POE will include 10 hectares/24 acres of landscaped area.



# PROJECT OVERVIEW



**US Port of Entry (POE)**

The US POE will be one of the largest border inspection facilities in North America. It will cover approximately 68 hectares/167 acres with a total building space of 30,318m<sup>2</sup>/326,335ft<sup>2</sup>. There will be an inbound and outbound inspection facility for both passenger and commercial vehicles. The US POE will have commercial exit control booths and 36 primary inspection booths. There will also be a 30 metre/100 foot buffer with vegetation as well as a public path to surround the US POE with 12 hectares/30 acres of landscaped area.



**Michigan Interchange**

The Michigan Interchange connecting into Interstate 75 (I-75) will include four new road bridges, five new pedestrian bridges and widened roads at key intersections to allow transport trucks to make full uninterrupted turns. The aesthetic design selected for the pedestrian bridges was a result of community consultation and features a curved steel arch and will be constructed of pre-cast concrete. There will also be primary connecting ramps to and from the US POE.

# STRATEGIC OBJECTIVES

For fiscal year 2020–2021, WDBA's strategic objectives included:

- continuing to deliver on WDBA's mandate
- strengthening the relationship developed with BNA to ensure that decisions are well-informed
- continuing stakeholder and shareholder engagement to maintain support
- preparation and implementation of the plan to support transition to operations.

The sections below outline WDBA's progress on its strategic objectives throughout fiscal year 2020–2021. Specific achievements are highlighted on the following pages.

## CONTINUING TO DELIVER ON WDBA'S MANDATE

In 2020–2021, substantial progress was made on the Gordie Howe International Bridge project, with WDBA providing stringent oversight of BNA's work to ensure compliance with the Project Agreement.

Noteworthy examples of project construction progress include the completion of the main bridge tower foundations and the start of above-ground tower construction on both sides of the Detroit River. Additionally, site preparation and earthworks on the US and Canadian POEs were substantially completed, while work on replacement bridges over I-75 as well as the service drives for the Michigan Interchange continued.

In terms of US property acquisition, as of September 2020, the last outstanding parcel came into the Michigan Department of Transportation's possession.

With Early Works activities (including utility relocations) completed in December 2019, turnover of the remainder of the Canada POE Lands to BNA occurred in June 2020.

Utility relocations on the US POE and the Michigan Interchange sites, undertaken by WDBA as part of Advanced Works, were also completed in December 2019. All remaining US utility work is to be undertaken by BNA.

## STRENGTHENING THE RELATIONSHIP DEVELOPED WITH BRIDGING NORTH AMERICA TO ENSURE THAT DECISIONS ARE WELL-INFORMED

WDBA continues to develop its relationship with BNA. Throughout the design-build phase, WDBA has taken an active oversight role on the project and has worked with BNA from the Board level to its management and field level staff to address project-related issues, including those related to COVID-19. Notably, WDBA has held sessions with BNA to build and foster a relationship that promotes open communication, issues identification and escalation that supports WDBA in fulfilling its mandate so that the benefits of the project can be achieved.



## CONTINUING STAKEHOLDER AND SHAREHOLDER ENGAGEMENT TO MAINTAIN SUPPORT

WDBA continued to deliver a successful stakeholder engagement and communications strategy over 2020–2021. With frequent community, individual and media engagements taking place, even throughout the COVID-19 pandemic, WDBA is building upon its strong reputation as a reliable and trusted community member.

WDBA has been recognized with prestigious awards including a Gold award in the Best Corporate Social Responsibility category in the Canadian Public Relations Society's National Awards of Excellence program. This has helped elevate project recognition on a national level.

Achievements throughout the year on the Community Benefits Plan include funding of community art projects, investments in local business development programs, distributing funds to community non-profit organizations, participating in job fairs, and hosting procurement events for local vendors.

In terms of its relationship with the shareholder, WDBA has maintained regular engagement with the Government of Canada, with increased contact during the COVID-19 pandemic.

## PREPARATION AND IMPLEMENTATION OF THE PLAN TO SUPPORT TRANSITION TO OPERATIONS

While WDBA continues to provide stringent oversight on the design and construction of the Gordie Howe International Bridge project, WDBA is also planning its transition to the operations phase. We will establish the Gordie Howe International Bridge as the crossing of choice ensuring our customers have an efficient crossing experience on opening day. To achieve this goal, work on operational readiness endeavours continues.

# CONSTRUCTION PROGRESS

The construction schedule for the Gordie Howe International Bridge project continued through 2020-2021 with the end of the fiscal year marking 900 days since the start of construction. BNA continued to advance construction simultaneously throughout the four project components – the bridge, the Canadian and US POEs and the Michigan Interchange.

## Canadian and US Bridge Sites

Construction of the main bridge tower footings were completed on the US and Canadian sites, with work now underway on the lower pylon of the bridge towers.

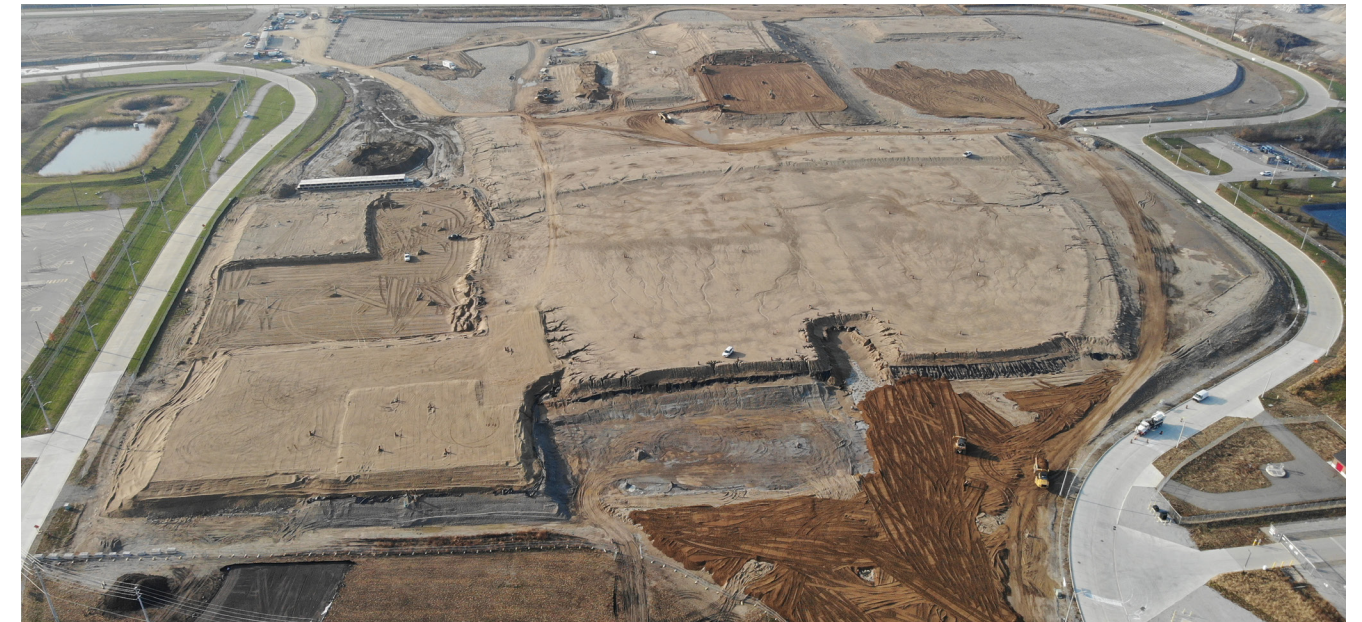


Construction of the footings for the bridge side span and anchor piers also began on the Canada and US sites. There are six foundations and anchor piers on each side of the border that will support the main bridge structure over the river.



## Canadian Port of Entry

Following a settlement period to help accelerate soil consolidation at the Canadian POE, removal of surcharge fill placement in the Phase One area continued to make way for the start of building construction.



## US Port of Entry

Approximately 80,000 of the total 87,900 wick drains were installed to accelerate the settlement of soils to expedite construction and limit long-term settlement at the US POE.

Clearing and grubbing was completed for the US POE and major earthworks began with more than 550,000 metric tonnes/1.2 billion pounds of engineered fill and surcharge material placed.



# AWARDS AND CASE STUDIES



## PERFECTION IS IN THE DETAILS



### Environmental, Social and Governance (ESG) Performance

A new award from P3 Bulletin that recognizes an organization's ESG policies and their benefits for stakeholders, operators, users and the wider community.



### Best Corporate Social Responsibility Campaign

The Canadian Public Relations Society award recognizes an organization's commitment to professional excellence in the creation of programs that build and maintain positive relationships within communities.



### Virtuoso Community Relations Award of Merit

The Award of Merit from International Association of Business Communicators/London celebrates excellence in communications, creative strategy and design that exceed global standards.

**“Our employees who work closely with students are to be congratulated for their efforts in helping shape the next generation.”**

*Bryce Phillips, CEO, WDBA*

**“WDBA has placed a high priority on the environmental, sustainability and social components of the project recognizing that in addition to a new bridge, we can generate further positive outcomes and opportunities for the Windsor–Detroit region.”**

*Bryce Phillips, CEO, WDBA*

This fiscal year, WDBA and the Gordie Howe International Bridge project were recognized by local, national and international organizations. WDBA, BNA and the Gordie Howe International Bridge project were also finalists for the Autodesk AEC Excellence Award for Infrastructure Design and the CanBIM Innovation Spotlight Award.

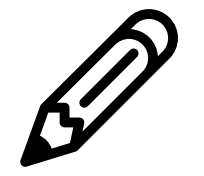


For the third year in a row, WDBA received the Co-op/Internship Employer of the Year award from the University of Windsor. This award recognizes organizations who have created exceptional work term experiences. Since WDBA's co-op program began in 2016, more than 135 placements have been offered to students from four post-secondary schools.

WDBA and the Gordie Howe International Bridge project were also featured in two case studies.

The project was highlighted in a European Commission publication, *“Making Socially Responsible Public Procurement Work: 71 Good Practice Cases.”* The publication identifies international examples of socially responsible public procurement that provide positive benefits.

The project also appeared in the United Nations Economic Commission for Europe (UNECE) report titled *“People-First Project Assessment Tool.”* The goal of the report is to demonstrate the positive impact of community-based considerations in P3 projects.



Additionally, the project was profiled by Global Infrastructure Hub, a dedicated resource created by the G20 to support public and private investment in quality infrastructure in a report titled *“Connectivity Across Borders: Global practices for cross-border infrastructure projects.”* The Gordie Howe International Bridge was the only North American project identified as a case study for inclusion in the reference guide.

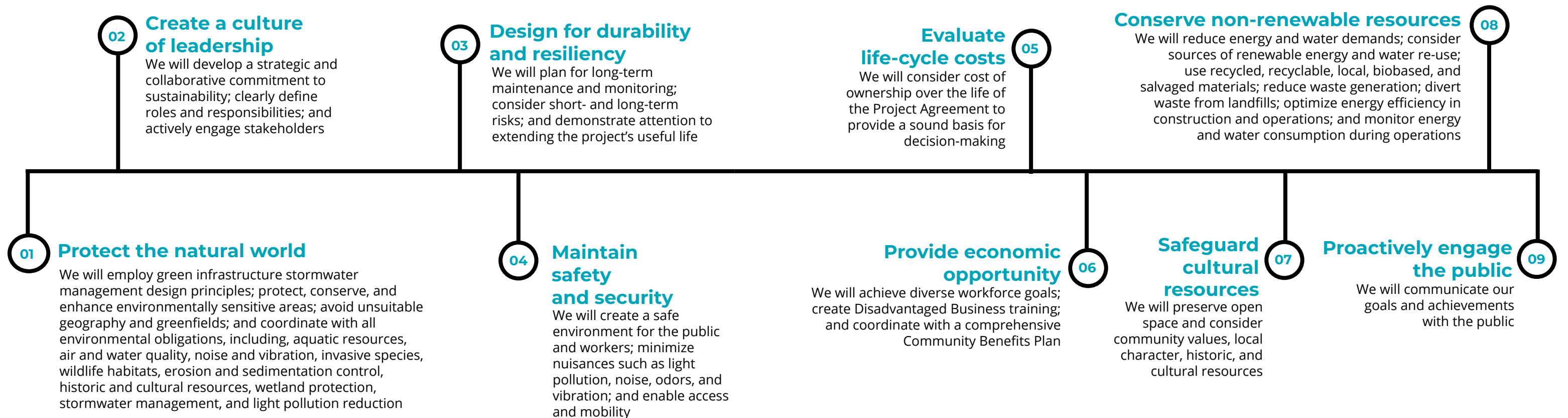


“WDBA is committed to sustainability in the construction and operations of the Gordie Howe International Bridge project. Sustainable development is important not only to us, but to the Government of Canada and our stakeholders. As such, it is our duty to them to consider the financial and nonfinancial impacts of our operations by integrating environmental, social and economic dimensions in our management approach. We are committed to taking sustainability into consideration in our decisions, in both carrying out construction of the Gordie Howe International Bridge project and in our organizational management.

We are committed to continual improvement through analysis of our practices, benchmarking, and assessing the risks and opportunities related to sustainability within our organization, engaging our stakeholders on the issues that matter to them most. As a Canadian Crown corporation, we ensure that taxpayer dollars are invested to optimize the economic, social, and environmental return on investment generated for the community for this once-in-a-generation infrastructure project. The future success of the Gordie Howe International Bridge project depends on the sustainable work we do today and in the years to come.”

*Bryce Phillips, CEO, WDBA*

**THE GORDIE HOWE INTERNATIONAL BRIDGE PROJECT WILL STRIVE TO ACHIEVE THE FOLLOWING SUSTAINABILITY GOALS AND OBJECTIVES:**



# SUSTAINABILITY AT A GLANCE

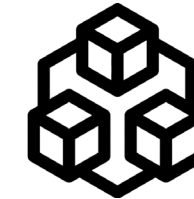


The project team reached an exciting milestone in November 2020, with the submittal of the Envision application to the Institute for Sustainable Infrastructure (ISI). Work on this application began in March 2017, with over 150 people actively engaged in preparing the application, which was approximately 2500 pages, covering 45 credits. Submittal of this application kicks off a review process which is anticipated to take a few months to complete.



## LEED V4 Silver Rating

The Canadian and US POE facilities are designed to meet LEED v4 Silver rating



## Framework

WDBA developed its Sustainability Framework which provides employees with strategic direction related to incorporating the principles of sustainability into day-to-day activities



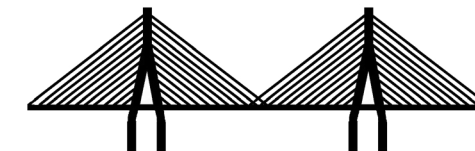
## Award Winning

The project was recognized with the Environmental, Social and Governance Performance of the Year award by P3 Bulletin



## Corporate Sustainability

WDBA launched a Corporate Sustainable Management Committee (CSMC) to help conduct business in a socially responsible manner



## Envision Silver Rating

The bridge and Michigan Interchange are designed to meet Envision Silver rating



## LEED Certification

The Project has been registered for LEED certification through the United States Green Building Council (USGBC)

# CONNECTING WITH OUR COMMUNITIES



Photo by Keith Childress  
Great Lakes Aggregate

**A new sculpture that acts as a centerpiece for the Fort Street Bridge Park in Southwest Detroit was funded through the Gordie Howe International Bridge Community Benefits Plan**

A key project feature is the inclusion of a Community Benefits Plan. On the Gordie Howe International Bridge project, community benefits are identified opportunities that can advance economic, social or environmental conditions for the local communities. In developing the Community Benefits Plan, it was important to the project team that the initiatives selected for implementation would provide positive outcomes for the Windsor–Detroit region and specifically focus on enhancing the communities of Sandwich and Delray, the neighbourhoods closest to the project area.

The Community Benefits Plan reflects community priorities and is comprised of two components, Neighbourhood Infrastructure Strategy and Workforce Development and Participation Strategy.

# NEIGHBOURHOOD INFRASTRUCTURE STRATEGY

The Neighbourhood Infrastructure Strategy is comprised of initiatives that are consistent with the Crossing Agreement and the key regional priorities identified through consultation including: community partnerships, community safety and connections, economic benefits and aesthetics and landscaping. The initiatives ensure that the communities adjacent to the project are the ones benefitting most from the Neighbourhood Infrastructure Strategy.

A number of initiatives occurred in the last fiscal year including the 2020 Community Organization Investment, the Sandwich Art Project, the Fort Street Bridge Project, the launch of the Sandwich Business Development Program, launch of the Delray Home Improvement Program and transportation improvements in Detroit.



Three vans were donated to organizations serving the Delray and Southwest Detroit communities



A hand-painted wayfinding map was created to connect the neighbourhoods in Windsor's west end



**50+** applications received through the 2020 Community Organization Investment initiative and nine projects were selected for funding



**\$675,000+ (CDN)** Over \$675,000 (CDN) of Community Benefits funding released to support the delivery of initiatives in Sandwich/west Windsor and Delray/Southwest Detroit

# WORKFORCE DEVELOPMENT AND PARTICIPATION STRATEGY

The Workforce Development and Participation Strategy is geared toward engaging businesses and focuses on supporting workforce, training and pre-apprenticeship/ apprenticeship opportunities.

During fiscal year 2020-2021:

**1575**

people oriented to work on the project in both Canada and the US

**65**

pre-apprentices or apprentices engaged to work on the project

**70**

local businesses from the Windsor-region or City of Detroit provided goods or services to the project



Our community offices in Sandwich and Southwest Detroit provide venues for the project team and community members to stay connected. During the pandemic our community offices were closed to the public however the project team remained connected through the toll-free number, email and direct messages on social media. The project team keeps neighbours informed of upcoming work and listens to feedback through a variety of ways.



**2000+**  
stakeholders engaged



**225+**  
virtual outreach events held



**670+**  
inquiries addressed



**40+**  
presentations



**8**  
consultation topics



**25+**  
email blasts



# CONNECTING THROUGH ARTWORK



Creating opportunities for local community members is the goal of the Workforce Development and Participation Strategy of the Gordie Howe International Bridge Community Benefits Plan. While most commonly thought of as jobs for construction and skilled trade workers, a special initiative gave local artists from Walpole Island First Nation, Caldwell First Nation and Southwest Detroit the chance to contribute their talents to the Canadian and US construction sites.

The Community Benefits Plan includes a commitment to engage an Indigenous artist in Canada to participate in the development of a project-related art piece. When working to implement this commitment, BNA recognized that the outside panels of the tower crane climbing system provided perfect canvasses for painting murals. With four climbing systems in place – two on each side of the bridge – this initiative was expanded to include a Southwest Detroit artist on the US site.

As the tower cranes extend to their ultimate height of 250 metres/822 feet, so will the murals, making them visible from land on both sides of the border and from the Detroit River. The murals will remain on the climbing systems for approximately two years before being repurposed.

These visual art commissions are part of a larger effort to incorporate Visual Art and other forms of cultural and historical recognition into the project, based on continued community engagement and through initiatives such as the project Community Benefits Plan.

Work on a Canadian POE building façade art commission is now underway, with an artist selected to develop a design for the exterior panels of the Energy and Maintenance Complex building.

Outside the project site, there will be opportunities to celebrate the region's history. Those opportunities include the Windsor-Detroit Cross-River Tour which will create an international walking/cycling tour highlighting the unique culture and history of Sandwich and Delray communities through plaques/interpretive signage to be installed at key locations along pedestrian and cyclist routes approaching the bridge, along with a border marker at the centre of the bridge. WDBA will engage local historians and residents through further consultation within the next few years with the concentrated efforts on this project taking place in 2023.



A mural depicting an Indigenous hoop dancer at the Canadian bridge site



A mural depicting the Spirit of Detroit at the US bridge site



Art murals designed by Walpole Island First Nation and Caldwell First Nation artists installed at the Canadian bridge site

# 2020-2021 FINANCIAL RESULTS

## OVERVIEW

Fiscal Year 2020-2021 was the seventh year of operations for WDBA, and the third year of construction for the Gordie Howe International Bridge Project. BNA has continued with construction and site preparation, remaining design work on the components of the project, and the procurement of materials and services.

Expenses increased compared to the prior year driven primarily by work on the I-75 Interchange and related roadwork and amortization of the Perimeter Access Road (PAR). Tangible capital assets continue to increase as BNA carries out its construction, design, and procurement activities, and as properties are acquired and related costs incurred in Michigan.

BNA is responsible for contributing its own funds to the Project of an amount equal to 15% of construction and non-construction costs, or \$574.8 million, referred to in the Project Agreement with BNA as the Threshold Amount. BNA contributed these funds prior to invoicing WDBA for the Project. This amount is recognized as Due to private partner in the Statement of Financial Position; this obligation will be discharged by WDBA through Capital Payments, which commence upon the handover of the Canadian Port of Entry to WDBA.

During Fiscal Year 2020-2021, WDBA also continued advancing the following objectives, activities and expected results:

1. Continuing to deliver on WDBA's mandate.
2. Strengthening the relationships developed with Bridging North America to ensure that decisions are well-informed.
3. Continuing stakeholder and shareholder engagement to maintain support.
4. Preparation and implementation of the plan to support transition to operations.

## STATEMENT OF OPERATIONS

### Revenue

WDBA's revenue of \$1.5 million (2020: \$14.4 million) is substantially from a foreign exchange gain of \$0.7 million (2020: \$4.4), interest earned on cash balances of \$0.6 million (2020: \$4.9 million) and revenue from operations of \$0.2 million (2020: \$0.0). Revenue in the prior year included proceeds of insurance of \$5.1 million, insurance proceeds in the current year were nominal.

### Expenses

WDBA incurred \$134.8 million (2020: \$122.8 million) of direct expenses in support of the project. Direct expenses increased compared to the prior year driven primarily by work on the I-75 Interchange and related roadwork, amortization of the Perimeter Access Road (PAR) and an impairment, offset by a reduction in costs related to property acquisition in Michigan.

Internal services costs represent WDBA's corporate expenses to support the Gordie Howe International Bridge project, primarily salaries and benefits of support staff. WDBA incurred \$9.9 million of internal services costs (2020: \$8.6 million).

The table below provides a breakdown of the expenses by expense type:

**(thousands of dollars)**

	2021	2020
I-75 Costs	93,384	86,087
Payroll and Benefits	14,911	11,872
Amortization	10,542	5,081
Legal Services	5,172	5,728
Insurance	5,087	5,494
Impairment Loss	4,409	-
Professional Services	3,786	5,207
Local Road Improvements	2,855	2,659
Rent	1,012	759
Michigan Land	1,002	5,638
Office and Maintenance	886	1,041
Community Benefits	692	478
Property Taxes	490	541
Transfers to International Authority	240	300
Repairs and Maintenance	131	28
Other	88	154
Travel expenses	10	356
Work performed for other Government Agencies	-	7
	<b>144,697</b>	<b>131,430</b>

As the I-75 interchange will be turned over to the State of Michigan upon completion of the project, all costs associated with the I-75 interchange are expensed as incurred. I-75 costs are primarily for construction, mobilization, and design costs incurred by BNA, and other professional services related to design and engineering for the I-75 interchange. I-75 costs were higher in the prior year due to BNA incurring significant costs associated with construction activities; this was partially offset by a decrease in design costs as the design work wraps-up.

Amortization is primarily related to the Perimeter Access Road (PAR), a road built around the perimeter of the Canadian POE. The PAR will be handed over to the City of Windsor upon completion of construction. The increase in amortization is due to the final portion of the PAR being placed into service during the year.

WDBA recognized an impairment loss of \$4.4 million to write-down damaged assets in construction in progress to their net realizable values. Due to physical damage to the assets, WDBA determined that the assets provided no future benefit to WDBA.

The increase in Payroll and Benefits is due to an increase in WDBA staff.

Michigan land costs relate to the acquisition of property in Michigan that will be primarily used for the I-75 interchange or is needed for the associated local road improvements. The decrease in Michigan Land costs is primarily due to lower levels of property acquisition activities in Michigan compared to the prior year.

The decrease in professional services is primarily driven by a decrease in the engineering and procurement activities in Michigan.

### Appropriations

To support its activities, WDBA received \$463.8 million (2020: \$577.0 million) in appropriations and recoveries and ended the year with an operating surplus of \$302.5 million (2020: \$460.0 million); WDBA returned \$18.1 million (2020: \$0.0 million) of unspent appropriations to the government. The surplus results mainly from appropriations used for the acquisition of tangible capital assets; most of the appropriations to date are used to fund WDBA's capital costs.

Appropriations were used to fund BNA's activities, property acquisition activities in Michigan, design, and engineering cost and WDBA operations. Appropriations were higher in the prior year primarily due to BNA ramping up design, procurement, and construction activities, the Early Works, and Canadian and U.S. utility relocation. Costs associated with BNA's design work were significantly lower in 2020 as most of the design work is complete. Costs for the Early Works and utility relocation were also lower in 2020 as these are substantially complete.

## STATEMENT OF FINANCIAL POSITION

### Net Debt

As of March 31, 2021, WDBA's net debt was \$662.3 million (2020: \$556.1 million). Financial assets of \$165.1 million (2020: \$219.5 million) were mostly made up of \$133.7 million in cash and restricted cash, and \$31.4 million in accounts receivable (2020: \$174.2 million and \$45.2 million), offset by \$827.4 million in liabilities (2020: \$775.7 million).

As of March 31, 2021, WDBA had \$42.3 million in its operating cash accounts (2020: \$41.3 million), and a restricted cash balance of \$91.4 million in an escrow account (2020: \$132.9 million). The cash is held in a US dollar escrow account to fund US property acquisitions and other Michigan activities. WDBA is required to fund budgeted Michigan activities at the beginning of each quarter in the escrow account.

Accounts receivable consists primarily of recoverable HST. WDBA expects to recover 100% of the HST on expenditures directly related to construction (including design, engineering, plaza fill, utility relocation, etc.), and approximately 70% of the HST for expenditures related to WDBA's operating expenses.

Accounts payable and accrued liabilities of \$57.6 million as of March 31, 2021 (2020: \$79.3 million) included payables and accruals for utility relocation, BNA activities, appropriations to be returned to the government, Michigan activities, engineering consulting services, legal fees, and other consulting services. The decrease is primarily due to a lower level of activity in Michigan.

Accrued employee benefits of \$1.5 million (2020: \$1.0 million) represents accruals for employee bonuses and vacations. WDBA recorded an environmental liability of \$4.5 million as of March 31, 2021 (2020: \$9.1 million) to reflect the anticipated costs of remediating contaminated properties.

Holdback represents an amount temporarily retained by WDBA on the total due to contractors to ensure that the latter fulfill their obligations. The contracts call for WDBA to pay holdbacks upon substantial completion of the respective contracts. The holdback of \$143.2 million (2020: \$85.2 million) consists primarily of the holdback owed to BNA.

Due to private partner represents WDBA's liability to BNA for BNA's contribution of 15% of the design and build costs. WDBA will repay BNA through capital payments, which will commence upon the handover of the Canadian POE to WDBA.

### Non-Financial Assets

WDBA held \$2,073.5 million of capital assets as of March 31, 2021 (2020: \$1,590.6 million). These consist primarily of capitalized costs related to the Gordie Howe International Bridge project (Construction in Progress), leased property in Michigan, land contributed by Infrastructure Canada, and the perimeter access road related to the Canadian POE.

Construction in Progress (CIP) of \$1,715.7 million (2020: \$1,352.8 million) consists of costs related to the construction of the Bridge, and the Canadian and US POEs. CIP consists of capitalized costs related to BNA's activities (construction, mobilization, design, administration, and financing), utility relocation, professional services such as the Owner's Engineer, and the Early Works on the Canadian lands. The year-over-year increase is due primarily to the activities of BNA and the Owner's Engineer.

The table below provides a breakdown of Construction in Progress:

### (thousands of dollars)

	March 31, 2021	March 31, 2020
Bridge	706,669	544,041
Canadian Port of Entry	498,675	423,862
US Port of Entry	510,344	384,852
	<b>1,715,688</b>	1,352,755

Effective July 3, 2018, WDBA signed a master lease with Michigan for certain properties that have been acquired by Michigan. As properties are acquired and meet the necessary conditions, they are incorporated into the master lease and reclassified from prepaid expenses to tangible capital assets. The amount transferred in 2021 was \$95.8 million (2020: \$90.3 million); as of March 31, 2021, all the Michigan properties have been transferred to tangible capital assets.

WDBA signed a ground lease with Infrastructure Canada for the Canadian land effective July 1, 2017. Consistent with the provisions of the Crossing Agreement, consideration for the lease is nil. The leased land provides a significant benefit to WDBA, therefore WDBA has recognized the lease as a tangible capital asset, contributed to WDBA at the carrying amount recorded by Infrastructure Canada of \$64.9 million in 2018.

Prepaid expenses of \$12.0 million (2020: \$98.1 million) primarily consists of \$11.7 of prepaid insurance (2020: \$16.6 million) related mainly to WDBA's owner-controlled insurance program for insurance related to the construction of the project. In prior years prepaid expenses also included costs related to the acquisition of land in Michigan (2020: \$81.3 million). Of this amount, \$65.9 million had been acquired by MDOT and \$15.4 million related to properties that MDOT was in the process of acquiring through the State of Michigan's eminent domain process.

## STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

Under the Crossing Agreement, WDBA is required to issue, annually, an audited Statement of Canadian Contributions and Statement of Unrecouped Canadian Contributions (the Statements). The Canadian Contributions reflect the costs that Canada has paid for the project, beginning in Fiscal Year 2005-2006, which will be recouped through WDBA's revenues. The Unrecouped Canadian Contributions represents the costs paid to date, plus an imputed cost of Unrecouped Canadian Contributions which is accrued annually on the outstanding balance, less revenues received by WDBA. The Statements do not include revenues or expenditures related to work performed on behalf of entities not a part of the Government of Canada, as these do not meet the definitions of Crossing Authority Revenue or Canadian Contributions as defined in the Crossing Agreement.

The aggregate Canadian Contributions paid as of March 31, 2021, is \$2,160.3 million (2020: \$1,607.4 million). The aggregate Imputed Cost on accrued as of March 31, 2021, is \$182.1 million (2020: \$131.1 million). These amounts are offset by aggregate Crossing Authority Revenue received of \$149.8 million as of March 31, 2021 (2020: \$90.6 million), for a balance of \$2,192.6 million in Unrecouped Canadian Contributions as of March 31, 2021 (2020: \$1,648.0 million).

The Statements have been included within this Annual Report following the financial statements of WDBA.

# STATEMENT OF MANAGEMENT RESPONSIBILITY

## WDBA FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The accompanying financial statements of the Windsor-Detroit Bridge Authority (WDBA) are the responsibility of management.

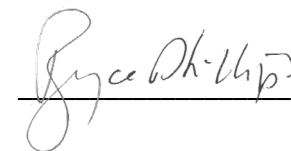
The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and necessarily include some estimates, which are based on management's best judgements.

Management is responsible for developing and maintaining books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the integrity and reliability of financial information, that assets are safeguarded and controlled, and that transactions and events are properly recorded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control in accordance with Part X of the *Financial Administration Act* and regulations, the *International Bridges and Tunnels Act* and regulations, and the letters patent, any supplementary letters patent, and by-laws of WDBA as well as the directives issued pursuant to section 89 of the *Financial Administration Act*. The Board exercises these responsibilities with the assistance of the Audit Committee of the Board, which is composed of four directors who are not employees of WDBA.

The Audit Committee meets with management and the Auditor General of Canada, the external auditor, and reviews and recommends to the Board the approval of WDBA's annual financial statements. In addition, the external auditor has full and free access to the directors of WDBA.

The Office of the Auditor General of Canada is responsible for auditing the financial statements and for issuing its report thereon.



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Bryce Phillips  
Chief Executive Officer



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Mike St. Amant, FCPA, FCA  
Chief Financial and Administrative Officer

Windsor, Canada  
June 25, 2021



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

# INDEPENDENT AUDITOR'S REPORT

## To the Minister of Infrastructure and Communities

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the financial statements of the Windsor-Detroit Bridge Authority (WDBA), which comprise the statement of financial position as at 31 March 2021, and the statement of operations, statement of remeasurement gains and losses, statement of change in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WDBA as at 31 March 2021, and the results of its operations, its remeasurement gains and losses, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

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

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing WDBA'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 WDBA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing WDBA'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 these 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 WDBA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WDBA'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 WDBA 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.

We 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.

## REPORT ON COMPLIANCE WITH SPECIFIED AUTHORITIES

### Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Windsor-Detroit Bridge Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *International Bridges and Tunnels Act* and regulations, the articles and by-laws of the Windsor-Detroit Bridge Authority, and the directives issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Windsor-Detroit Bridge Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

### Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Windsor-Detroit Bridge Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Windsor-Detroit Bridge Authority to comply with the specified authorities.

### Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Firyal Awada, CPA, CA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
25 June 2021

## STATEMENT OF FINANCIAL POSITION

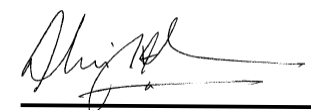
Windsor-Detroit Bridge Authority  
as at March 31  
(thousands of dollars)

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash	42,343	41,324
Restricted cash (Note 3)	91,350	132,885
Accounts receivable	31,371	45,172
Deposits	59	159
<b>Total Financial Assets</b>	<b>165,123</b>	219,540
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	57,636	79,255
Accrued employee benefits	1,478	1,009
Environmental liability (Note 4)	4,477	9,088
Holdback (Note 5)	143,204	85,183
Due to private partner (Note 6)	620,623	601,146
<b>Total Liabilities</b>	<b>827,418</b>	775,681
<b>Net Debt</b>	<b>662,295</b>	556,141
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	2,073,496	1,590,564
Prepaid expenses (Note 8)	11,990	98,087
<b>Total Non-Financial Assets</b>	<b>2,085,486</b>	1,688,651
<b>Accumulated Surplus</b>	<b>1,423,191</b>	1,132,510
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,433,572	1,131,041
Accumulated rereasurement gains (losses)	(10,381)	1,469
	<b>1,423,191</b>	1,132,510

Commitments (Note 9) and Contingencies (Note 10)

The accompanying notes form an integral part of the financial statements.

Approved by the Board of Directors



Dwight Duncan  
Chair of Board



Maria Campagna  
Chair of Audit Committee

## STATEMENT OF OPERATIONS

Windsor-Detroit Bridge Authority  
for the year ended March 31  
(thousands of dollars)

FINANCIAL STATEMENTS

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Revenue from operations	-	161	35
Proceeds from insurance claims	-	28	5,139
Interest	-	595	4,903
Foreign exchange gain	-	694	4,350
<b>Total Revenue</b>	-	<b>1,478</b>	14,427
<b>EXPENSES (Note 11)</b>			
Gordie Howe International Bridge Project	168,203	134,802	122,780
Internal services	17,083	9,895	8,643
Work performed for other Government agencies	-	-	7
<b>Total Expenses</b>	<b>185,286</b>	<b>144,697</b>	131,430
<b>Deficit before Government funding</b>	<b>(185,286)</b>	<b>(143,219)</b>	(117,003)
Government transfers - appropriations (Note 12)	728,634	463,800	576,993
Reimbursement of appropriations (Note 12)	-	(18,050)	-
Government transfers - recoveries (Note 12)	-	-	7
	728,634	445,750	577,000
<b>Annual operating surplus</b>	<b>543,348</b>	<b>302,531</b>	459,997
<b>Accumulated operating surplus, beginning of year</b>	<b>1,131,041</b>	<b>1,131,041</b>	671,044
<b>Accumulated operating surplus, end of year</b>	<b>1,674,389</b>	<b>1,433,572</b>	1,131,041

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Windsor-Detroit Bridge Authority  
for the year ended March 31  
(thousands of dollars)

	2021	2020
Accumulated remeasurement gains beginning of year	1,469	343
Unrealized gains (losses) attributable to:		
Foreign exchange	(11,156)	5,476
Amounts reclassified to the Statement of Operations:		
Foreign exchange	(694)	(4,350)
Net remeasurement gains (losses) for the year	(11,850)	1,126
Accumulated remeasurement gains (losses) end of year	(10,381)	1,469

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF CHANGE IN NET DEBT

Windsor-Detroit Bridge Authority  
for the year ended March 31  
(thousands of dollars)

	2021 Budget	2021 Actual	2020 Actual
Annual operating surplus	543,348	302,531	459,997
Acquisition of tangible capital assets, including transfers from prepaid expenses	(800,287)	(497,883)	(607,266)
Amortization of tangible capital assets	127	10,542	5,081
Impairment of tangible capital assets	-	4,409	-
	(256,812)	(180,401)	(142,188)
Changes in other non-financial assets			
Net change in prepaid expenses	81,620	(9,716)	(52,823)
Transfer of prepaid expenses to tangible capital assets	-	95,813	90,319
	81,620	86,097	37,496
Net remeasurement gains (losses) for the year	-	(11,850)	1,126
Change in net debt	(175,192)	(106,154)	(103,566)
Net debt beginning of period	(556,141)	(556,141)	(452,575)
Net debt end of period	(731,333)	(662,295)	(556,141)

The accompanying notes form an integral part of the financial statements.



**STATEMENT OF CASH FLOW**  
**Windsor-Detroit Bridge Authority**  
**for the year ended March 31**  
**(thousands of dollars)**

	2021	2020
<b>OPERATING TRANSACTIONS</b>		
Cash receipts from Government transfers	<b>463,800</b>	577,000
Interest received	<b>744</b>	5,006
HST refunds	<b>58,510</b>	55,571
Other cash receipts	<b>859</b>	1,113
Cash payments to suppliers	<b>(170,127)</b>	(237,492)
Proceeds from insurance claims	<b>28</b>	5,139
Return of Parliamentary appropriations	<b>(14,950)</b>	-
Cash payments to and on behalf of employees	<b>(14,016)</b>	(11,292)
Transfers to International Authority	<b>(235)</b>	(300)
<b>CASH PROVIDED BY OPERATING TRANSACTIONS</b>	<b>324,613</b>	394,745
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	<b>(352,584)</b>	(467,536)
<b>CASH APPLIED TO CAPITAL TRANSACTIONS</b>	<b>(352,584)</b>	(467,536)
Effect of exchange rate changes on cash	<b>(12,545)</b>	6,634
Decrease in cash and cash equivalents	<b>(40,516)</b>	(66,157)
Cash and cash equivalents at beginning of period	<b>174,209</b>	240,366
Cash and cash equivalents at end of period	<b>133,693</b>	174,209
<b>Cash is composed of:</b>		
Cash	<b>42,343</b>	41,324
Restricted cash	<b>91,350</b>	132,885
	<b>133,693</b>	174,209

*The accompanying notes form an integral part of the financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

## 1. AUTHORITY AND ACTIVITIES

The Windsor-Detroit Bridge Authority (WDBA) incorporated on October 9, 2012 under Order in Council P.C. 2012-1350, is a Crown Corporation listed under Schedule III Part I of the *Financial Administration Act* and is not subject to income tax under the provisions of the *Income Tax Act*.

WDBA was established in accordance with the Crossing Agreement signed by the Government of Canada and the State of Michigan on June 15, 2012. The mandate of WDBA is to design, construct, finance, operate and maintain a new international crossing between Windsor, Ontario and Detroit, Michigan through a Public-Private Partnership.

In the early stages of the Gordie Howe International Bridge Project (Project), the international crossing was designated the Detroit River International Crossing; on May 14, 2015, the international crossing was officially named the Gordie Howe International Bridge.

WDBA is also mandated to design, construct and finance the interchange between the Gordie Howe International Bridge and the Interstate 75 (I-75), a highway that is part of the United States' Interstate Highway System. In accordance with the Crossing Agreement, the interchange shall also be a part of the Interstate Highway System. Once the construction of the interchange has been completed it will be turned over to the Michigan Department of Transportation (MDOT). MDOT will be responsible for maintaining the interchange; WDBA will have no further responsibility for or involvement with the interchange.

The Crossing Agreement also established the International Authority, a legal entity separate and distinct from WDBA. The International Authority is empowered to approve land acquisitions in the State of Michigan, leases of land in Michigan, as well as the Request for Qualifications, Request for Proposal, and the Public-Private Partnership Agreement with respect to the Project. The International Authority also has certain oversight responsibilities. These are to maintain on-going monitoring of compliance by WDBA with the Crossing Agreement and the Concessionaire with the Public-Private Partnership Agreement.

The International Authority is governed by a board consisting of six members. Two of the members are appointed by the Government of Canada, one member by WDBA, and three members by the State of Michigan. All costs of the International Authority are funded by WDBA.

WDBA depends on funding from the Government of Canada for its operations and to partially fund the construction of the international crossing. After completion of the international crossing WDBA will continue to depend on funding from the Government of Canada to finance operations until the international crossing operations generate surplus cash flow.

On September 28, 2018, WDBA entered into a Public-Private Partnership Agreement (Project Agreement) with Bridging North America (BNA) to design, build, partially finance, operate and maintain the Project. Specifically, the Project Agreement covers BNA's responsibilities to design, construct, partially finance, operate and maintain the Facility; and to design, construct and partially finance the Interstate 75 Interchange (I-75 Interchange). The components of the Facility are the Bridge, the Canadian Port of Entry, and the US Port of Entry. The Project Agreement will terminate in 2054.

BNA is responsible for financing the Facility and the I-75 Interchange to an amount equal to 15% of design and build costs. BNA contributed these funds prior to WDBA contributing its own funds to the Project. BNA contributions will be repaid through Capital Payments.

There have been no changes to the terms of the Project Agreement since its commencement date.

By Order in Council P.C. 2014-1382 dated December 10, 2014, WDBA is also subject to a directive pursuant to Section 89 of the *Financial Administration Act* as follows:

- a) To ensure that the pension plans will provide:
  - i. A 50:50 current service cost-sharing ratio between employee and employer for pension contributions, to be phased in for all members by December 31, 2017, and,
  - ii. For any employee hired on or after January 1, 2015, that the normal age of retirement is raised to 65 years and that the age at which retirement benefits are available, other than those received at the normal age of retirement, corresponds with the age at which they are available under the Public Service Pension Plan; and
- b) To outline its implementation strategies with respect to the commitments set out in paragraph (a) in its next corporate plan and subsequent corporate plans until the commitments are fully implemented.

WDBA implemented this directive effective December 31, 2017.

In July 2015, WDBA was issued a directive (P.C. 2015-1114) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference, and event expenditures in a manner that is consistent with their legal obligations and to report on the implementation of the directive in WDBA's corporate plan. WDBA has implemented this directive effective August 7, 2015.

The financial statements were approved and authorized for issuance by the Board of Directors on June 25, 2021.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Accounting

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

### b. Public-Private Partnership

The substance of the Project Agreement is that the ownership of the land and infrastructure remains with WDBA during the project term, though BNA is granted rights of use and access to the site to carry out project work. BNA also bears the performance risk related to the scope of work to design, build, partially finance, operate and maintain the international crossing.

WDBA accounts for the Public-Private Partnership to reflect the terms of the Project Agreement in accordance with Canadian PSAS. In accordance with the terms of the Project Agreement, WDBA is required to make certain payments to BNA during the construction period, including Progress Payments, Handover Payments, Interim Operating and Maintenance Payments, Public Art Payments, Community Benefit Payments, Large Scale Imaging equipment (LSI) payments and the Substantial Completion Payment. Throughout the construction period progress payments are paid to BNA based on completed milestones which are certified by an Independent Certifier.

Eligible costs incurred by BNA related to the Facility are recognized as tangible capital assets, as the Facility is constructed. These costs include design and build costs, interest costs incurred prior to assets being ready for productive use, as well as rehabilitation payments which are determined to be a betterment. Eligible costs related to the I-75 Interchange are recognized as expenses as they are incurred given that this component will be turned over to MDOT upon completion. At this point, WDBA will have no further responsibility for or involvement with the I-75 Interchange.

WDBA recognizes the associated liability of the Public-Private Partnership for the first 15% of the design and build costs as Due to Private Partner, representing the Threshold Amount. The Threshold Amount was achieved during March 2019. A 15% holdback is also recorded as a liability for each subsequent invoice of the design and build costs, which will be due upon substantial completion of the Facility.

The accounting for the Project Agreement infrastructure includes an estimate for the measurement of construction-in-progress based on the Progress Measurement Technique (PMT) established by BNA and agreed with the Independent Certifier, as specified in the Project Agreement. The PMT measures progress based on completed milestones. Progress is calculated against the Schedule of Values in the Project Agreement and is verified by the Independent Certifier as part of the certification process. In management's view the PMT is an appropriate method to measure progress based on reliable information. The PMT does not include a measure for partially completed milestones since there is insufficient information available to make a reasonable estimate of the amount before a milestone is completed and verifiable by the Independent Certifier.

#### c. Revenue

WDBA recognizes revenue when the transactions or events giving rise to the revenues occur. Normally, revenues are recognized when persuasive evidence of an arrangement exists, services have been provided or goods have been delivered, the amount is fixed and determinable, and collection is reasonably assured.

#### d. Interest

Interest on cash deposits is recorded in the period in which it is earned.

#### e. Proceeds from Insurance Claims

Proceeds from insurance claims are recognized in the period in which they are confirmed.

#### f. Expense Recognition

All expenses are recognized in the period in which they are incurred. Estimates for accruals are made at the end of each period.

#### g. Government Transfers – Appropriations

Government transfers are recognized as revenue when the transfer is authorized and eligibility criteria are met, except to the extent that stipulations give rise to an obligation that meets the definition of a liability. Transfers received are recognized as deferred revenue when stipulations give rise to a liability.

For government transfers initially recognized as deferred revenue, revenue is recognized in the statement of operations as the stipulations are met. Any portion of government transfers to which WDBA is entitled to but has not received is recognized under Accounts Receivable from the Government of Canada.

#### h. Government Transfers – Recoveries

Costs recovered from the Government of Canada for services provided by WDBA are recognized in the financial statements at the exchange amount.

#### i. Cash and Restricted Cash

Cash and restricted cash consist of cash held in WDBA's bank accounts.

#### j. Accounts Receivable

Accounts receivable are recorded and carried at cost. Accounts receivable are reviewed at each financial statement date by WDBA for impairment. Accounts receivable consist primarily of HST receivable.

#### k. Deposits

Deposits with other entities are recorded and carried at cost. Deposits represent amounts held by third parties under the terms of their contracts with WDBA.

#### l. Accounts Payable and Accrued Liabilities

Accounts payable are recorded and carried at cost. Accounts payable consist primarily of amounts related to the ongoing construction activities of the Project.

#### m. Environmental Obligations

Whenever WDBA accepts responsibility or has direct responsibility for sites where contamination exceeds environmental standards, plans to abandon future economic benefits to remediate the property, and where the amount involved can be reasonably estimated, an obligation for the clean-up of the contaminated sites is recorded as a liability in the Statement of Financial Position. The estimate includes costs directly attributable to remediation activities, post-remediation operations, and maintenance and monitoring activities that are an integral part of the remediation strategy. The estimated future costs are recorded as a liability and are based on management's best estimate of the costs that are most likely to be incurred. If it proves impossible to make a reasonable estimate of the amount or it is not expected that remediation will occur, the situation will be disclosed through a note to the Financial Statements.

#### n. Due to Private Partner

The amount due to Private partners consists of the obligation to BNA for the first 15% of the design and build costs. The obligation is measured at amortized cost based on the effective interest rate, which is represented by the rate implicit within the contract. Capital payments commence upon handover of the Canadian Port of Entry and expire after 30 years, which include both principal and interest payments.

#### o. Tangible Capital Assets

Tangible capital assets are recorded at cost. Replacements, major improvements, and costs which extend the useful service lives of existing assets or increase their capacity, are capitalized. Repairs and maintenance are charged to the Statement of Operations as incurred.

Leased property is recognized when properties are turned over to WDBA by Michigan under a master lease agreement between Michigan and WDBA. Properties are first recognized in Prepaid Expenses and upon entering the master lease agreement properties are reclassified to tangible capital assets and amortized over the lesser of the term of the lease agreement or their individual useful lives.

Amounts included in construction in progress are not amortized until transferred to the appropriate capital asset classification. The amounts are transferred when the assets are ready for productive use in accordance with WDBA's policies.

Tangible capital assets are amortized over their estimated useful lives using the straight-line method, over the following periods:

Office equipment and furniture	between 3 and 10 years
Roads	between 4 and 6 years
Leased property	between 91 and 93 years
Leasehold improvements	between 3 and 5 years

When conditions indicate that a tangible capital asset no longer contributes to the ability of WDBA to provide services, or that the value of future economic benefits associated with a tangible capital asset is less than its net carrying value, the cost of the tangible capital asset is reduced to reflect the impairment. Net write-downs on tangible capital assets are recorded as expenses in the Statement of Operations. Assessments of whether such conditions exist are made, at a minimum, at each financial statement date.

**p. Prepaid Expenses**

Payments made prior to the related services being rendered are recorded as prepaid expenses. Prepaid expenses are recognized in expense as the related services are rendered.

Payments made to the State of Michigan to fund the purchase of land for the Project and that will be leased to WDBA are recorded as prepaid expenses. Payments made to purchase land that will not be leased back to WDBA but will remain the responsibility of the State of Michigan are expensed as incurred.

Payments made for Michigan land through the condemnation process which will be leased to WDBA are recorded as Prepaid Expenses – Michigan Land Acquisitions through Condemnation. Payments made for properties that will not be leased back to WDBA but will remain the responsibility of the State of Michigan are expensed as incurred.

When a property is leased from Michigan it is reclassified to tangible capital assets (leased property).

**q. Contingent Liabilities**

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is recognized, and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

**r. Pension and Benefit Plans**

WDBA offers a defined contribution pension plan, a non-registered savings plan, and a group benefit plan to its employees; expenses related to these plans are recognized in the period in which they are incurred.

**s. Financial Instruments**

WDBA identifies, assesses, and manages financial risks to minimize their impact on its results and financial position. Financial risks are managed in accordance with specific criteria. WDBA does not engage in speculative transactions or the use of derivatives.

The measurement of financial instruments depends on their classification as follows:

<b>Categories</b>	<b>Financial instruments</b>	<b>Measurement</b>
Financial assets	Cash	Cost
	Restricted cash	Cost
	Deposits	Cost
Financial liabilities	Accounts payable and accrued liabilities	Cost
	Holdback	Cost
	Due to private partner	Amortized cost

**t. Foreign Currency Translation**

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate at the end of each year. Until an item is settled, gains and losses arising because of remeasurement are reported in the Statement of Remeasurement Gains and Losses. When the item is settled, the exchange gains and losses are recorded in the Statement of Operations.

**u. Measurement Uncertainty**

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts and presentation of assets and liabilities at the financial statements date and the reported amounts of revenues and expenses during the reporting period. The measurement of construction-in-progress, the amount of GST/HST recoverable, the estimated useful life of tangible capital assets, accrued liabilities, environmental liabilities, impairments, and contingencies are the most significant items where estimates are used. Actual results could differ significantly from those estimates.

**v. Budget Figures**

Budget figures included in the financial statements were provided for comparison. These figures are from WDBA's Corporate Plan which was approved by WDBA's Board of Directors and the Treasury Board Secretariat.

**w. Accounting Standards and Guidelines Adopted During the Year**

The following standard was issued by the PSAB on April 1, 2021. The standard applies to fiscal years beginning on or after April 1, 2023, and was early adopted by WDBA effective April 1, 2020, with prospective application:

*PS 3160 Public Private Partnerships:* This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

The adoption did not have an impact on the financial statements.

#### x. Standards Issued to be Adopted at a Later Date

The following standard has been issued by the PSAB:

*PS 3280 Asset Retirement Obligation:* This new Section establishes standards on when and how to account for an asset retirement obligation.

This Section was issued by PSAB in August 2018 and will be effective for fiscal years beginning on or after April 1, 2022. WDBA intends to adopt this standard when it becomes applicable and is currently evaluating the impact of adopting this standard on its financial statements.

### 3. RESTRICTED CASH

Restricted cash consists of funds deposited into an escrow account. The cash in the escrow account is used to fund Project activities in Michigan, including property acquisition and related costs, planning and engineering costs.

WDBA is required by the Michigan Activities Funding Acknowledgement to utilize an escrow account to hold and disburse the funds for these activities. The Michigan Activities Funding Acknowledgement outlines the processes, roles and responsibilities surrounding the acquisition of property in Michigan by the Michigan Parties (MDOT and the Michigan Strategic Fund (MSF)) and other Project activities in Michigan. The escrow account is funded by WDBA on a quarterly basis.

### 4. ENVIRONMENTAL LIABILITY

WDBA recognizes a provision for environmental cleanup when all the following conditions are satisfied: an environmental standard exists; the level of contamination has been determined to exceed the environmental standard; WDBA is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made at that time.

WDBA is responsible for the land required for the Project. In Canada, this consists of land contributed by the Government of Canada to WDBA for use in the Project. The Michigan land required for the Project is purchased by the State of Michigan; these purchases are funded by WDBA. It has been determined that certain parcels of land contain levels of contamination above acceptable environmental standards. WDBA expects that future economic benefits will be given up remediating the contamination; remediation will be performed as part of the activities to prepare the site for the construction of the Project.

The contamination is the result of prior owners' use of the land. Remediation will require the excavation and disposal of contaminated soil. Studies commissioned by WDBA estimate that the cost of remediation activities for the Canadian land to be \$0 (2020: \$0), and \$4,477 for the Michigan land, (2020: \$9,088) for a total of \$4,477 (2020: \$9,088). The decrease in the liability is primarily due to remediation of the contamination.

This amount was recorded as an environmental liability in the Statement of Financial Position. Of this amount, \$3,051 (2020: \$7,662) was capitalized to the cost of the Project, and \$1,426 (2020: \$1,426) relating to land that will not be leased to WDBA but will remain the responsibility of the State of Michigan, was expensed.

### 5. HOLDBACK

WDBA temporarily retains an amount on the total due to contractors to ensure that the latter fulfill their obligations. The contracts call for WDBA to pay holdbacks upon substantial completion of the individual contracts.

### 6. DUE TO PRIVATE PARTNER

BNA is responsible for financing the Project to an amount equal to 15% of design and build costs, (the Threshold Amount \$574,802), prior to WDBA contributing its own funds to the Project. The Threshold Amount was achieved during March 2019, with the liability presented as the present value of expected future cash flows, discounted at the implied effective interest rate of 3.24%.

This liability will be discharged by WDBA through Capital Payments, which commence upon the handover of the Canadian Port of Entry to WDBA and expire 30 years after that date. Estimated repayments for the next five years and thereafter are as follows:

#### (thousands of dollars)

Capital Payments:	
2022 Through 2024	11,683
2025	35,048
2026	35,048
2027 and Thereafter	969,672
Less: Total Interest	(476,649)
Private Partner Contribution	574,802
Capitalized Interest To Date	37,115
Expensed Interest To Date	8,706
<b>Liability</b>	<b>620,623</b>

## 7. TANGIBLE CAPITAL ASSETS

(thousands of dollars)

	Leasehold Improvements	Computer and Office Equipment	Construction in Progress	Land	Roads	Leased Property	Total
<b>Cost</b>							
April 1, 2019	851	337	858,220	64,886	7,571	58,345	990,210
Acquisitions	60	209	511,296	-	-	5,381	516,946
Transfers	-	-	(16,761)	-	16,761	-	-
Transfers from Prepays	-	-	-	-	-	90,319	90,319
March 31, 2020	911	546	1,352,755	64,886	24,332	154,045	1,597,475
April 1, 2020	911	546	1,352,755	64,886	24,332	154,045	1,597,475
Acquisitions	282	167	389,020	-	-	12,601	402,070
Impairments	-	-	(4,409)	-	-	-	(4,409)
Transfers	-	-	(21,678)	-	21,678	-	-
Transfers from Prepays	-	-	-	-	-	95,813	95,813
<b>March 31, 2021</b>	<b>1,193</b>	<b>713</b>	<b>1,715,688</b>	<b>64,886</b>	<b>46,010</b>	<b>262,459</b>	<b>2,090,949</b>
<b>Accumulated Amortization</b>							
April 1, 2019	529	318	-	-	675	308	1,830
Amortization	110	18	-	-	3,756	1,197	5,081
March 31, 2020	639	336	-	-	4,431	1,505	6,911
April 1, 2020	639	336	-	-	4,431	1,505	6,911
Amortization	91	114	-	-	8,280	2,057	10,542
<b>March 31, 2021</b>	<b>730</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>12,711</b>	<b>3,562</b>	<b>17,453</b>
<b>Net Book Value</b>							
March 31, 2020	272	210	1,352,755	64,886	19,901	152,540	1,590,564
<b>March 31, 2021</b>	<b>463</b>	<b>263</b>	<b>1,715,688</b>	<b>64,886</b>	<b>33,299</b>	<b>258,897</b>	<b>2,073,496</b>

As of March 31, 2021, WDBA recognized construction in progress of \$1,715,688 (2020: \$1,352,755) for the Project based on eligible costs incurred to date, including capitalized interest of \$37,115 (2020: \$21,338). The Project components will be amortized over their estimated useful lives once they are entered into operation and commence rendering service. During the year, WDBA recognized \$96,239 (2020: \$88,746) of expense related to the I-75 costs and local road improvements, including interest of \$3,701 (2020: \$3,584).

The acquisition of tangible capital assets shown above includes an amount of \$49,486 (2020: \$49,410) for capital items and holdbacks that remain to be paid for as of March 31, 2021. These items are not included in the Statement of Cash Flow.

On July 3rd, 2018, WDBA executed a master lease agreement with Michigan for properties in Michigan's possession. During the year 2021, \$95,813 (2020: \$90,319) of Michigan land was transferred from prepaid expenses (Note 8 - Michigan Land acquisition) to tangible capital assets (Leased Property); all Michigan properties have been transferred to tangible capital assets as of March 31, 2021.

In 2021 WDBA recognized impairment losses totaling \$4,409 to write down damaged assets in construction in progress to their net realizable values. Due to physical damages to the assets, WDBA determined that the assets provided no future benefit to WDBA.

## 8. PREPAID EXPENSES

	2021	2020
Prepaid Insurance	<b>11,701</b>	16,588
Other	<b>289</b>	203
Michigan Land Acquisitions	-	65,933
Michigan Land Acquisitions through Condemnation	-	15,363
	<b>11,990</b>	98,087

The Michigan Land acquisition is related to payments made to the State of Michigan to fund the purchase of land for the Project that will be leased to WDBA for the life of the bridge. Payments made to purchase land that will not be leased to WDBA were expensed in Michigan Land (Note 11).

Where a property cannot otherwise be acquired through voluntary means, MDOT will acquire the property through the condemnation process. Michigan Land Acquisitions through Condemnation represent amounts related to properties in the condemnation process that will be leased to WDBA by the State of Michigan. Once the court has awarded title of a property to MDOT the amount associated with that property is reclassified to Michigan Land Acquisitions.

When land is brought into the master lease agreement with Michigan it is reclassified to tangible capital assets (Leased Property).

## 9. COMMITMENTS

WDBA has commitments, principally for professional fees, rental agreements, infrastructure construction, operations and maintenance, and IT/Communications for amounts totaling \$4,092,444 (2020: \$4,527,002). Some professional fee arrangements include termination rights which allow both parties to terminate the contracts without penalty. Minimum payments over the next years are as follows:

(thousands of dollars)

	Professional Fees	Rent	Infrastructure Construction	Operations and Maintenance	IT/ Communications	Total
2022	2,570	883	930,740	-	605	934,798
2023	1,510	883	853,060	-	480	855,933
2024	1,096	857	385,549	2,199	216	389,917
2025	901	828	544,608	13,686	140	560,163
2026	269	-	8,027	24,492	129	32,917
2027 and thereafter	441	-	-	1,318,275	-	1,318,716
	<b>6,787</b>	<b>3,451</b>	<b>2,721,984</b>	<b>1,358,652</b>	<b>1,570</b>	<b>4,092,444</b>

## 10. CONTINGENCIES

In the normal course of its activities, WDBA is the claimant or defendant or is involved in certain pending claims or lawsuits. To the extent that a future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued, and an expense is recorded in the financial statements. Where the outcome of a claim is not yet determinable, any settlement will be recorded when it is determined that a claim is likely to be settled and the amount is determinable.

## 11. EXPENSES BY TYPE

(thousands of dollars)

	2021	2020
I-75 Costs	<b>93,384</b>	86,087
Payroll and Benefits	<b>14,911</b>	11,872
Amortization	<b>10,542</b>	5,081
Legal Services	<b>5,172</b>	5,728
Insurance	<b>5,087</b>	5,494
Impairment Loss	<b>4,409</b>	-
Professional Services	<b>3,786</b>	5,207
Local Road Improvements	<b>2,855</b>	2,659
Rent	<b>1,012</b>	759
Michigan Land	<b>1,002</b>	5,638
Office and Maintenance	<b>886</b>	1,041
Community Benefits	<b>692</b>	478
Property Taxes	<b>490</b>	541
Transfers to International Authority	<b>240</b>	300
Repairs and Maintenance	<b>131</b>	28
Other	<b>88</b>	154
Travel expenses	<b>10</b>	356
Work performed for other Government Agencies	-	7
	<b>144,697</b>	131,430

## 12. RELATED PARTY TRANSACTIONS

WDBA is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. WDBA enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises. These transactions are measured at the exchange amount. During the year, WDBA incurred expenses totaling \$439 (2020: \$391), and recorded government funding of \$445,750 (2020: \$576,993). As of March 31, 2021, WDBA recorded \$31,327 (2020: \$44,981) in accounts receivable and \$5 (2020: \$0) in accounts payable with related parties.

WDBA has no contractual commitments or contingent liabilities with its related parties.

### Reimbursement of Appropriations

During the year, the Government of Canada requested that WDBA reimburse \$18,050 of appropriations (2020: \$0) it had already received, but not spent, as actual expenditures were lower than estimated.

### Government Transfers - Recoveries

WDBA recovered costs of \$0 (2020: \$7) from the Government of Canada for environmental remediation performed by WDBA on a portion of a required parcel of land that will be retained by the Government of Canada.

As part of its land acquisition process, the Government of Canada agreed to purchase a property from a utility company to replace another property required for the Project. A portion of the replacement property acquired will be contributed to WDBA for the Project; the remainder will be retained by the Government of Canada to be provided to the utility company as a replacement for the property needed for the Project.

### Key Management Personnel

Other than salary and benefits, WDBA has no transactions with its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of WDBA, including WDBA's senior management personnel and members of its Board of Directors.

WDBA also receives services without charge, such as financial statement audits. These are not recorded in the financial statements.

## 13. FINANCIAL INSTRUMENTS

### a. Fair Value

The carrying value of WDBA's financial assets and financial liabilities, except for Due to private partner, approximates their fair value due to their short-term nature.

### b. Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Substantially all WDBA's credit risk relates to its cash balances. WDBA manages this risk by dealing only with members of the Canadian Payment Association. Generally, the carrying amount reported on WDBA's Statement of Financial Position for its financial assets exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk. The credit risk is not significant for WDBA.

The maximum exposure of WDBA to credit risk as of March 31 is as follows:

### (thousands of dollars)

	2021	2020
Restricted Cash	91,350	132,885
Cash	42,343	41,324
Deposits	59	159
	<b>133,752</b>	<b>174,368</b>

The credit risk associated with cash and restricted cash is reduced substantially by ensuring that cash and restricted cash are held in WDBA's bank accounts. Accounts receivable consists primarily of HST receivable, and therefore does not meet the criteria for recognition as a financial instrument.

### c. Liquidity Risk

Liquidity risk is the risk that WDBA will not be able to meet its obligations as they fall due. WDBA manages the risk by establishing budgets with detailed cash estimates and regular follow up. The liquidity risk is low given that WDBA is financed by the Government of Canada.

WDBA's accounts payable and accrued liabilities and holdback are non-interest-bearing; none of the liabilities are payable on demand. The due to private partner is measured at amortized cost based on an effective interest rate of 3.24%, representing the rate implicit in the funds contributed by BNA and the Capital Payments paid by WDBA to BNA.

The maturities of WDBA's financial liabilities are estimated to be as follows:

### (thousands of dollars)

	Less than 3 months	3 months to 1 year	Over 1 year	Total
Due to Private Partner	-	-	620,623	620,623
Accounts payable and accrued liabilities	57,636	-	-	57,636
Holdback	-	1,053	142,150	143,204
	<b>57,636</b>	<b>1,053</b>	<b>762,773</b>	<b>821,463</b>



#### d. Market Risk

Market risk is the risk of an impact on results from changes in market factors such as fluctuations in foreign currency exchange rates and interest rates.

WDBA is subject to interest rate risk on its cash. If interest rates had varied by 1% during the year, the interest revenue from cash balances would have varied approximately \$1,464 (2020: \$2,340).

WDBA is subject to foreign currency exchange rate risk on its US dollar cash balances and accounts payable. A 1% variation in foreign currency exchange rates at March 31, 2021 would have a net impact of approximately \$868 (2020: \$944).

### 14. BENEFIT PLANS

WDBA offers the benefit plans to its employees, these are a pension plan, a non-registered savings plan, and a group benefit plan. The expense recognized for each plan is disclosed in the table below:

(thousands of dollars)

	2021	2020
Pension plan	796	650
Group benefit plan	620	657
Non-Registered Savings plan	43	-
	<b>1,459</b>	1,307

#### a. Pension Plan

The defined contribution pension plan is a registered pension plan where contribution amounts are pre-determined, and the benefit received at retirement depends on the amount of the contributions accumulated and the earnings on the contributions. Membership in the plan is compulsory; employees must join immediately upon becoming eligible for membership.

Employees are required to make basic contributions equal to 5% of their base earnings and may make optional contributions of up to 4% of their base earnings, for a maximum possible total of 9% of base earnings. WDBA is required to contribute 5% of employees' base earnings, and to match optional contributions up to a maximum of 4% of employees' base earnings.

The pension plan was established effective January 1, 2015. To comply with Order in Council P.C. 2014-1382 (Note 1), effective January 1, 2018, executives have the same contribution plan as the employees.

#### b. Non-Registered Savings Plan

In 2020, WDBA established a Non-Registered Savings Plan for employees of Director level and above who have reached the annual Income Tax Act limit within the defined contribution pension plan. Employees can contribute the same percentage as their defined contribution pension plan or elect an alternate percentage (between 5% - 9%). WDBA will match employee contributions.

#### c. Group Benefit Plan

Premiums for the following benefits under the group benefit plan are paid by WDBA:

- i. Extended health care
- ii. Emergency travel assistance
- iii. Dental care
- iv. Health spending account
- v. Basic life insurance
- vi. Dependent life insurance
- vii. Basic accidental death and dismemberment insurance
- viii. Employee assistance program.

The group benefit plan is substantially the same for both executive and employees. The only difference is in the health care spending account; executive employees overall maximum amount is \$2,500 per year compared to \$1,000 per year for employees.

### 15. Impact of COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the governments of Canada, Ontario, the United States, and Michigan, enacting emergency measures to combat the spread of the virus. While BNA has provided several Notices claiming entitlement to compensation and relief under the Project Agreement (see note 10), as of March 31, 2021, BNA has not substantiated these claimed entitlements for compensation. The situation is dynamic and the ultimate duration, magnitude of the impact, and any entitlement to BNA which may become due by WDBA under the Project Agreement are not known at this time.

### 16. Statement of Canadian Contributions and Statement of Unrecouped Canadian Contributions

The Crossing Agreement requires WDBA to prepare a Statement of Canadian Contributions and a Statement of Unrecouped Canadian Contributions. The Statements are contained within the Annual Report of WDBA.



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Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

# INDEPENDENT AUDITOR'S REPORT

## To the Minister of Infrastructure and Communities

### *Opinion*

We have audited the statement of Canadian Contributions and statement of Unrecouped Canadian Contributions of the Windsor-Detroit Bridge Authority (WDBA) for the period ended 31 March 2021 and notes to these statements, including a summary of significant accounting policies (together "the statements").

In our opinion, the accompanying statements of WDBA for the period ended 31 March 2021 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

### *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 Statements* section of our report. We are independent of WDBA in accordance with the ethical requirements that are relevant to our audit of the 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.

### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 2 to the statements, which describes the basis of accounting. The statements are prepared to assist WDBA to comply with the financial reporting provisions of the Crossing Agreement. As a result, the statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the statements and our auditor's report thereon.

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

In connection with our audit of the statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the statements in accordance with the basis of accounting described in Note 2, and for such internal control as management determines is necessary to enable the preparation of the statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor's Responsibility for the Audit of the Statements*

Our objectives are to obtain reasonable assurance about whether the statements 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 these 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 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 WDBA's internal control.
- 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 WDBA'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 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 WDBA to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We 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.



Firyal Awada, CPA, CA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
25 June 2021

# STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS FOR THE PERIOD ENDED MARCH 31, 2021

## STATEMENT OF MANAGEMENT RESPONSIBILITY

The accompanying Statement of Canadian Contributions and Statement of Unrecouped Canadian Contributions "the Statements" are the responsibility of the management of the Windsor-Detroit Bridge Authority (WDBA).

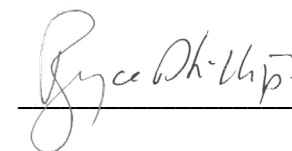
The Statements have been prepared using the basis of accounting described in Note 2.

To meet management's responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the integrity and reliability of financial information, and that transactions and events are properly recorded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control in accordance with the Crossing Agreement. The Board exercises these responsibilities with the assistance of the Audit Committee of the Board, which is composed of four directors who are not employees of WDBA.

The Audit Committee meets with management and the Auditor General of Canada, the external auditor, and also reviews and recommends to the Board the approval of the Statements. In addition, the external auditor has full and free access to the directors of the Authority.

The Auditor General of Canada is responsible for auditing the Statements and for issuing his report thereon.



Bryce Phillips  
Chief Executive Officer



Mike St. Amant, FCPA, FCA  
Chief Financial and Administrative Officer

Windsor, Canada  
June 25, 2021

## STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

For the period ended March 31

(thousands of Canadian dollars)

	2021	2020
<b>Canadian Contributions:</b>		
Opening balance (note 4)	1,607,431	889,908
Canadian Contributions for the year	552,839	717,523
<b>Aggregate Canadian Contributions</b>	<b>2,160,270</b>	1,607,431
<b>Imputed Cost of Unrecouped Canadian Contributions:</b>		
Opening balance (note 4)	131,085	82,790
Imputed Cost for the year	51,059	48,295
<b>Aggregate Imputed Cost</b>	<b>182,144</b>	131,085
<b>Crossing Authority Revenue:</b>		
Opening balance	(90,555)	(24,839)
Crossing Authority Revenue for the year	(59,282)	(65,716)
<b>Aggregate Crossing Authority Revenue</b>	<b>(149,837)</b>	(90,555)
<b>Total Unrecouped Canadian Contributions</b>	<b>2,192,577</b>	1,647,961

# NOTES TO THE STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

## 1. CROSSING AGREEMENT AND STATEMENTS CONTENT

The Gordie Howe International Bridge project is governed by the Crossing Agreement between Canada, the Crossing Authority (the Windsor-Detroit Bridge Authority, or WDBA), and the State of Michigan. The Crossing Agreement provides a framework for a Crossing Authority established by Canada to design, construct, finance, operate and maintain a new International Crossing between Canada and Michigan.

The Crossing Agreement stipulates that the costs to design, construct, finance, operate and maintain the Gordie Howe International Bridge will be recouped through future Crossing Authority Revenue and US Federal Agencies Contributions. To track these costs, and the extent to which they have been recouped, the Crossing Agreement requires the Crossing Authority to prepare a Statement of Canadian Contributions and a Statement of Unrecouped Canadian Contributions (the Statements).

The Statement of Canadian Contributions presents the aggregate of Canadian Contributions; the Statement of Unrecouped Canadian Contributions presents the amount by which the aggregate of Canadian Contributions plus the aggregate of imputed costs on Unrecouped Canadian Contributions exceeds the aggregate of the Crossing Authority Revenue and US Federal Agencies Contributions.

The Crossing Agreement also established the International Authority, a legal entity separate and distinct from the Crossing Authority. The role of the International Authority is to maintain on-going monitoring of compliance by the Crossing Authority with the Crossing Agreement and the Concessionaire with Public-Private Agreement.

Further information, including definitions of terms, can be found in the Crossing Agreement, which is available on the website of the Crossing Authority.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Accounting

The Statements are prepared in accordance with the Crossing Agreement which stipulates that Canadian Contributions consist of all monies, real or personal property, or services provided, which monies or monies for such property or services have been paid.

### b. Canadian Contributions

Canadian Contributions means, at any particular time, all monies (in Canadian currency or converted into Canadian currency at conversion rates prevailing as at the date paid or provided) and all real or personal property or services provided (at the fair value as at the date provided in Canadian currency or converted into Canadian currency at conversion rates prevailing as at the date provided), which monies or monies for such property or services, have been appropriated by the Parliament of Canada and have been paid by Canada or provided by Canada to the Crossing Authority and paid by the Crossing Authority, before or after the Initial Execution Date and prior to such particular time, for International Crossing Costs, Michigan Interchange Costs, US Federal Plaza Costs, Crossing Authority Costs and International Authority Costs.

### c. International Crossing Costs

International Crossing Costs means all costs and expenses paid by Canada or the Crossing Authority associated with the International Crossing and the International Crossing Lands, including costs of the International Crossing Land Activities and costs of the International Crossing Project Activities, and related obligations under the Crossing Agreement and any Public-Private Agreement including payments to a Concessionaire, other than the Crossing Authority Costs and other than International Authority Costs.

### d. Michigan Interchange Costs

Michigan Interchange Costs means all costs and expenses paid by Canada or the Crossing Authority associated with the Michigan Interchange and the Michigan Interchange Lands, including the costs of the Michigan Interchange Land Activities, the costs of the Michigan Interchange Project Activities and related obligations under the Crossing Agreement and any Public-Private Agreement, including payments to a Concessionaire, other than the Crossing Authority Costs and other than International Authority Costs.

### e. US Federal Plaza Costs

US Federal Plaza Costs means all costs and expenses paid by Canada or the Crossing Authority associated with the US Federal Plaza and the US Federal Plaza Lands, including the costs of the US Federal Plaza Land Activities, the costs of the US Federal Plaza Project Activities and related obligations under the Crossing Agreement and any US Federal Plaza Public-Private Agreement, including payments to a Concessionaire, other than the Crossing Authority Costs and other than International Authority Costs

### f. Crossing Authority Costs

Crossing Authority Costs means all costs and expenses paid by the Crossing Authority related to overhead and administration, including costs and expenses related to dispute resolution and litigation, and all costs and expenses paid by the Crossing Authority related to Taxes, and associated with the International Crossing, the Michigan Interchange or the US Federal Plaza, and related obligations under the Crossing Agreement, any Public-Private Agreement and any US Federal Plaza Public-Private Agreement.

### g. International Authority Costs

International Authority Costs means all costs and expenses paid by the International Authority and funded by the Crossing Authority related to overhead and administration, including costs and expenses related to dispute resolution and litigation, and associated with the International Authority Oversight.

### h. Imputed Cost of Unrecouped Canadian Contributions

The Imputed Cost of Unrecouped Canadian Contributions means, at each fiscal year-end, the aggregate amount accrued on the Unrecouped Canadian Contributions in Canadian dollars, during such fiscal year, calculated at a rate per annum equal to the Government of Canada benchmark long-term bond yield effective on the last business day of the previous fiscal year-end, as published by the Bank of Canada, plus 100 basis points, and compounded annually.

### i. Crossing Authority Revenue

Crossing Authority Revenue means all revenue received by the Crossing Authority (other than monies received from Canada and US Federal Agencies Contributions) related to the International Crossing, the Michigan Interchange prior to the International Crossing Opening Date, and the US Federal Plaza, including: the Canadian Crossing Tolls; revenue arising from any Public-Private Agreement or any US Federal Plaza Public-Private Agreement; interest or other money on account of investments by the Crossing Authority; and proceeds of insurance in the event of damage or destruction of any portion of the International Crossing, the Michigan Interchange prior to the International Crossing Opening Date, or the US Federal Plaza.

### j. US Federal Agencies Contributions

US Federal Agencies Contributions means all monies (in Canadian currency or converted into Canadian currency at conversion rates prevailing as at the date paid or provided) paid or provided by one or more US Federal Agencies to the Crossing Authority for the US Federal Plaza Costs..

#### k. Unrecouped Canadian Contributions

Unrecouped Canadian Contributions means, at each fiscal year end, the amount, if any, by which the aggregate of the International Crossing Costs, the Michigan Interchange Costs, the US Federal Plaza Costs, the Crossing Authority Costs, the International Authority Costs prior to such time and the aggregate amount of Imputed Cost of Unrecouped Canadian Contributions compounded at any fiscal year end at and prior to such time, exceeds the aggregate of the Crossing Authority Revenue and the US Federal Agencies Contributions prior to such time, all amounts in Canadian currency or converted into Canadian currency at conversion rates prevailing as at the date paid or received as the case may be.

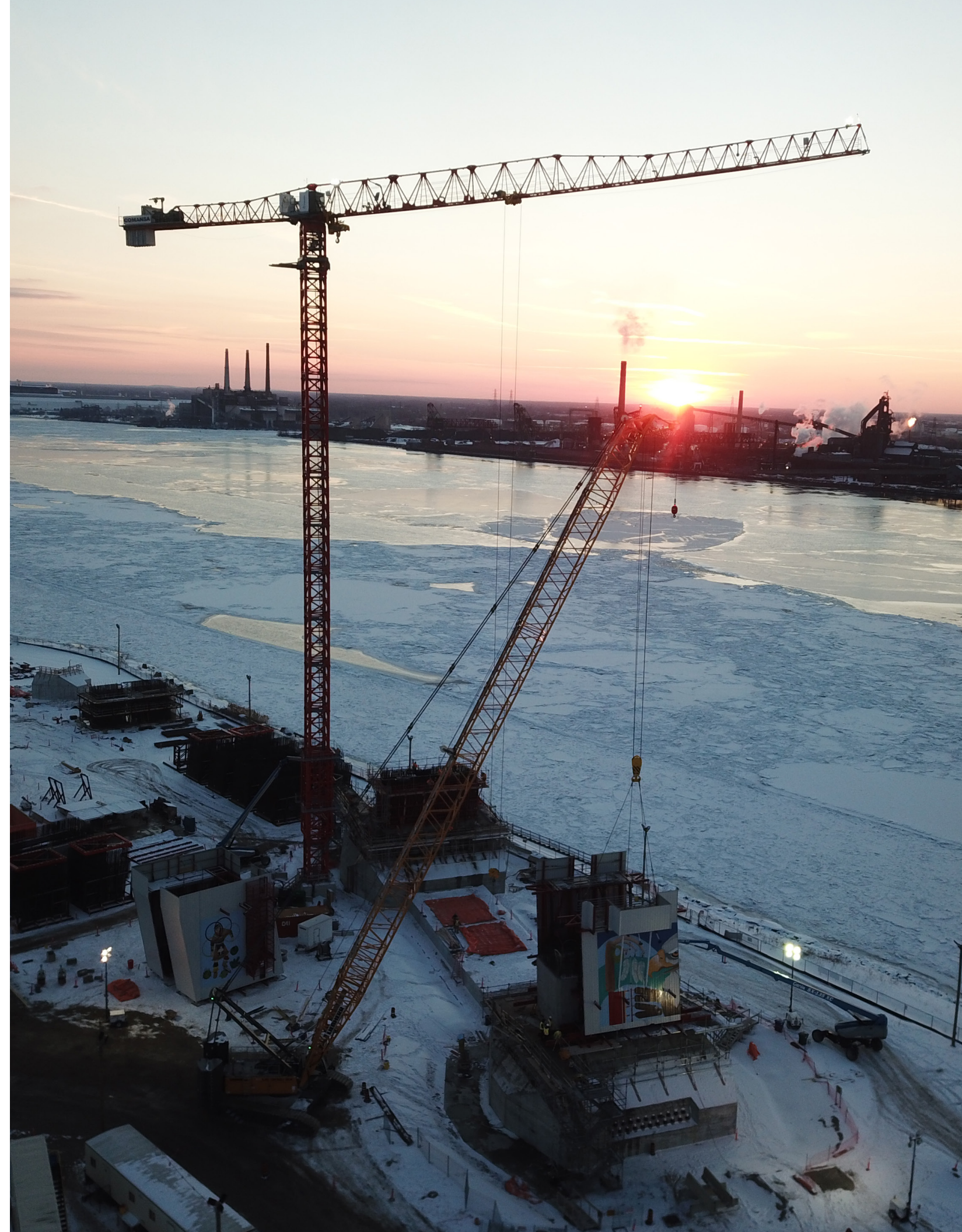
### 3. COMPARABILITY TO THE FINANCIAL STATEMENTS OF THE CROSSING AUTHORITY

As the Statement of Canadian Contributions is prepared on a cash basis, and contains financial transactions from other government entities, these Statements are not comparable to the financial statements of the Crossing Authority.

### 4. EXCLUDED COSTS

The Government of Canada's record retention policy requires that records be retained for a period of seven years; disposal of records is allowed after the retention requirement has been met. As a result of this policy, some records from 2005 to 2009 were not retained.

The total of the Canadian Contributions for which records were not retained is \$982 thousand. These costs have been excluded from the Statement of Canadian Contributions.



# GETTING SOCIAL (DISTANTLY)

WDBA uses its social media channels to communicate progress on the Gordie Howe International Bridge project



**14,980 +**  
Total social media followers



**58.3 % increase in followers**



**1829 total YouTube subscribers and 174,300 total YouTube views**



**2763 Twitter followers and 964,000 impressions**



**3493 Facebook followers and 10,241 page views**



**5800 LinkedIn followers and 198 posts with 8.8% engagement rate per post**



**1095 Instagram followers and 3486 likes**

## CONNECT WITH US

gordiehoweinternationalbridge.com    info@wdbridge.com

@GordieHoweBrg    @GordieHoweBridge    YouTube.com/GordieHoweBridge    @GordieHoweBrg    WDBA-APWD

3201 Sandwich St. Windsor, Ontario N9C 1A8 1-844-322-1773    7744 W Vernor Hwy. Detroit, Michigan 48209 1-844-322-1773    100 Ouellette Avenue, Suite 400, Windsor, ON, N9A 6T3 519-946-3038

**“Social media allows us to connect with our communities and inform people about the progress on the project.”**

*Heather Grondin, Vice President, Corporate Affairs and External Relations, WDBA*



**WDBA APWD**  
WINDSOR-DETROIT BRIDGE AUTHORITY | AUTORITÉ DU PONT WINDSOR-DETROIT

