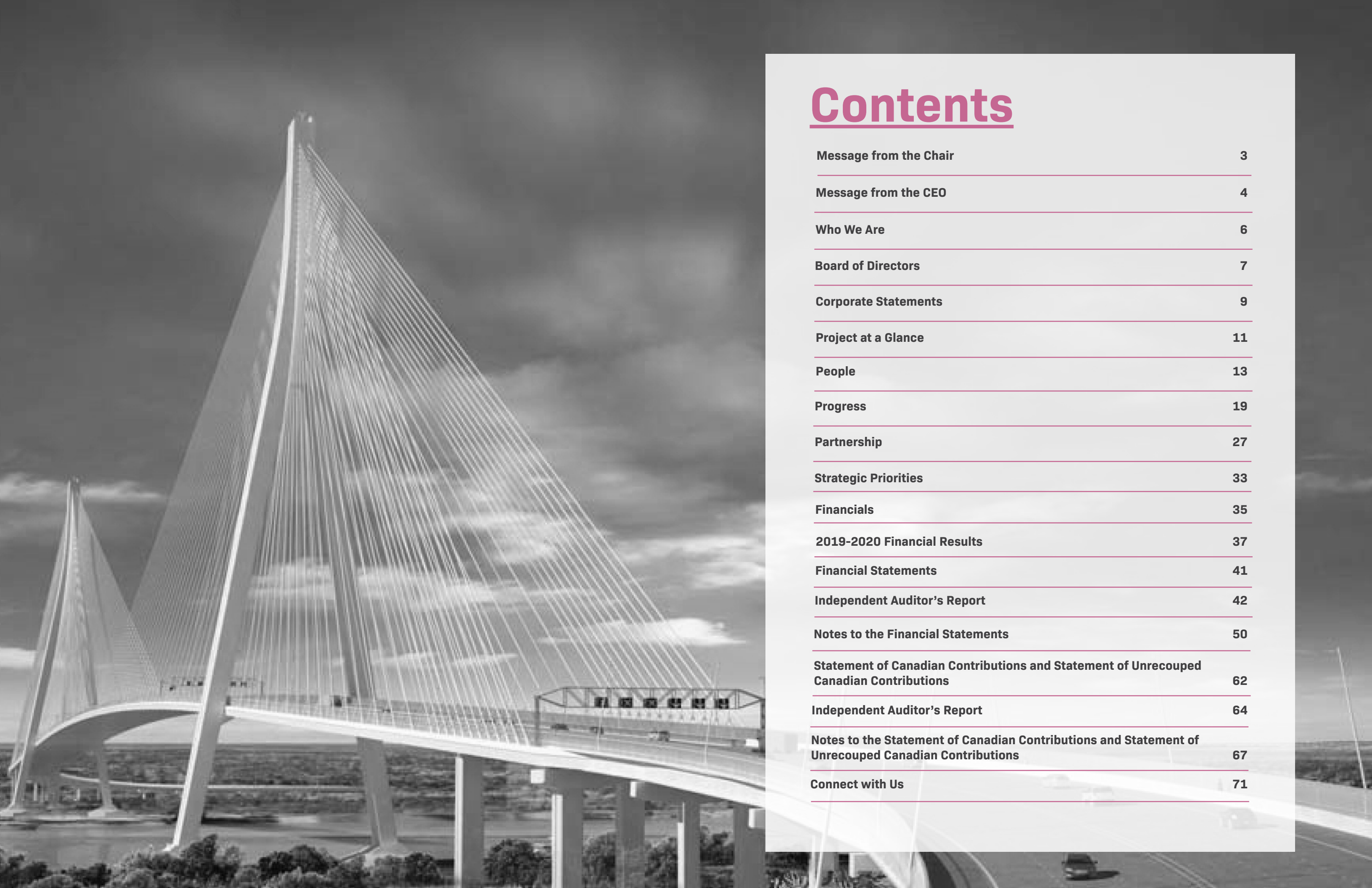




ANNUAL REPORT 2019-2020

PEOPLE · PROGRESS · PARTNERSHIP



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Message from the Chair

In July 2019, Windsor-Detroit Bridge Authority (WDBA) celebrated its fifth anniversary. Since becoming operational, we have achieved much and are now well into the construction phase of one of the largest infrastructure projects in North America.

Over the course of 2019-2020, WDBA's Board of Directors has spent a considerable amount of time on ensuring the organization has the necessary guidance as we move forward toward the completion of the project. We also made significant progress on our strategic priorities with the establishment of a strong project governance framework that provides comprehensive oversight on the Gordie Howe International Bridge project. I am privileged to work with my fellow members of WDBA's Board who bring varied expertise and a broad range of industry experience to the effective oversight of the business activities and other affairs of WDBA. I thank them for their diverse perspective and ongoing commitment to WDBA and, indeed, the project.

Similarly, I would like to recognize the efforts of WDBA's Senior Leadership Team and our dedicated and competent staff members. Over the past year, we necessarily grew our workforce to ensure that we would continue to have the professional talent needed to deliver such an iconic project. Our accomplishments to date are testament to their commitment.

With the ongoing construction of the project, the WDBA Board of Directors continued to develop not only the work with our private-sector partner – Bridging North America, but also the relationship between our organizations. To that end, our Board has taken the opportunity to meet with the Board of Directors of Bridging North America, regularly. This has helped to continue open communications between our organizations, further strengthening this partnership, so that the benefits of the project can be achieved.

Canada is financing the Gordie Howe International Bridge project and as a Crown corporation, WDBA reports to Parliament through the Minister of Infrastructure and Communities. I would like to thank the Government of Canada for their continued support and for the pivotal role that they play in this project which will benefit Canadian and bilateral trade in the years to come.

We look forward to continuing to work with our partners at the federal, provincial/state and municipal levels, as well as all of the stakeholders and residents, involved in this project, to deliver an end-to-end border transportation system that meets the Windsor-Detroit Region's present and future needs.

As you read this Annual Report, you will see that people and our partnerships are at the core of our success.



Dwight Duncan
Chair of WDBA Board of Directors

Message from the CEO

The 2019-2020 fiscal year was a pivotal one for Windsor-Detroit Bridge Authority (WDBA) – one marked by our strong commitment to the communities in which we work and by our ambition in building all four components of the Gordie Howe International Bridge project.

Following significant stakeholder engagement and consultation, several initiatives were developed by public feedback and input and will directly benefit communities in Windsor, Detroit and local First Nations. In June 2019, together with our private-sector partner, Bridging North America (BNA), we announced a comprehensive Community Benefits Plan and, later in the fiscal year, released the first funding for several initiatives on both sides of the border. We opened our Sandwich and Southwest Detroit community offices to provide a venue for members of the host communities and other stakeholders to meet with the Gordie Howe International Bridge project team. In January 2020, an aesthetic design was selected for the five pedestrian bridges to be constructed as part of the Michigan Interchange work being completed as part of the project.

Over the fiscal year, significant construction was undertaken at the sites of the Canadian and US Ports of Entry, the Michigan Interchange and on the bridge itself. Transmission relocation at the Canadian Port of Entry (POE) as well a new four-kilometre Perimeter Access Road surrounding the POE were completed. Essential preparatory activities required in advance of the construction of the building and facilities at the Canadian and US POEs also continued. Three existing road bridges crossing I-75 were demolished as part of the Michigan Interchange work. Notably, construction started on the bridge itself with the installation of 24 drilled shafts which will support the massive bridge towers.

The end of the fiscal year presented challenges with the emergence of the COVID-19 pandemic. As I write this letter, the pandemic is ongoing and the way we conduct our daily lives has dramatically changed. Governments on both sides of the border implemented restrictions on travel and public gatherings and we have all been introduced to a new phenomenon - social distancing. The pandemic has impacted the way we do business. Public events have been cancelled. Our offices have been closed and our employees are working remotely. WDBA was quick to adapt to implement measures in response to this unprecedented situation to ensure the health and safety of our employees, our partners and the communities in which we live while, at the same time, reducing the impact to the project and continuing to do the job that we need to do.

Our employees deserve recognition for their continued dedication and for the successes of 2019-2020, especially through the most trying of times.



Bryce Phillips
CEO



WHO WE ARE



Standing (left to right): Marie Campagna, André Juneau, Shelly Cunningham, Bryce Phillips, the Hon. François-Philippe Champagne, Michael J. Mueller, Dwight Duncan, Judi Cohen and Rish Malhotra. Missing: Karla Avis.

About Us

Windsor-Detroit Bridge Authority (WDBA) is a not-for-profit Canadian Crown corporation established in 2012 to deliver the Gordie Howe International Bridge project between Windsor, Ontario and Detroit Michigan. We are responsible for delivering North America’s largest border infrastructure project and longest cabled-stayed bridge. WDBA is delivering this significant infrastructure investment via a public-private partnership (P3). As such, we are responsible for oversight of our private-sector-partner, Bridging North America (BNA), during the construction and operation of the Gordie Howe International Bridge project. We are responsible to set and collect tolls. WDBA reports to Parliament through the Minister of Infrastructure and Communities and is guided by our Board of Directors.

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.

Mission

Our mission is 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 with one or more private-sector concessionaires procured through a competitive procurement process as contemplated by the Crossing Agreement.

Governance

Our Board of Directors oversees the management of our business and affairs. Continuous review of the Board ensures it has the appropriate number of members with relevant and diverse expertise to enable it to make effective decisions. The Board provides well-informed strategic direction and oversight that contribute to the sound governance of WDBA.

International Authority

WDBA’s International Authority is made up of six members that represent both Canada and Michigan. The International Authority monitors compliance of the Crossing Agreement signed between Canada and Michigan.

During 2019/2020, there were:

- 11** Board Meetings
- 5** International Authority Meetings
- 6** Meetings of the Audit Committee
- 5** Meetings of the Governance and Human Resources Committee
- 3** Meetings of the Communications & Outreach Committee

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 approved 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

Dwight Duncan serves as a Senior Strategic Advisor at McMillan LLP, one of Canada's largest and most respected full service law firms. Dwight also serves as a Principle of McMillan Vantage, the firm's wholly owned public policy advisory firm. In addition to his work with McMillan, he currently serves on the Board of Directors of Travelers Insurance Canada, The Dominion General Insurance Company, Crown Crest Trust, The Global Risk Institute, and the MS Society of Canada Scientific Research Foundation. Prior to joining McMillan, Dwight had a distinguished career in public service that spanned close to 25 years.



Bryce Phillips

Bryce Phillips joined WDBA as its CEO following an appointment by the Government of Canada in July 2018. He brings more than 35 years of experience as an executive in the infrastructure and energy sectors, including Vice President of Technical Support Services for a multinational consultancy, engineering and project management company. He also served in key leadership positions at two nuclear plants. A native of Windsor, Ontario, Bryce holds an engineering degree from the University of Windsor.



Karla Avis

Karla Avis is Vice President, RER New Stations and Off Corridor Infrastructure – Capital Projects Group with Metrolinx. In that capacity, Karla leads the development and quality control of design standards, provides oversight and guidance for project controls, is the functional administrator of the project management system, and oversees a business liaison team that includes procurement, realty, and legal. Prior to her roles at Metrolinx, Karla was a Senior Project Manager for GO Transit and a Construction Project Manager for Smart Centres.



Marie Campagna

Marie Campagna has over 30 years of progressive experience in the public and private sectors. Her career has been rooted in finance and operational support and spanned many sectors including healthcare, automotive, logistics and pharmaceuticals. Marie currently serves as the Vice President Corporate Services, New Business Development and Chief Financial Officer at Hôtel-Dieu Grace Healthcare.



Judi Cohen

Judi Cohen is an accomplished business leader with over 35 years of executive operational and finance experience in the private and public sectors. She has held senior leadership positions related to transit, transportation, environmental assessment and compliance and public consultation for large infrastructure projects.



Shelly Cunningham

Shelly Cunningham brings her extensive experience as a senior leader in governance, capital portfolio and project management, as well as operational excellence to her role. Shelly retired from PowerStream Inc. in 2019, where she was the Senior-Vice President of Engineering Services and contributed to project management, process improvement and information technology.



André Juneau

André Juneau is a fellow of the Queen's University Institute of Intergovernmental Relations and is an advisor to the Forum of Federations. He has experience in intergovernmental relations, infrastructure policy and public-sector boards. He represented Canada and Morocco on the resident board of the European Bank for Reconstruction and Development in London and served twice as chair of the board's steering group. In 2002, André created the federal department of infrastructure of which he was the first deputy minister. From 1975 to 1998, he held a series of positions in the Department of Finance and the Privy Council Office.



Rish Malhotra

Rish Malhotra is an accomplished leader with over 15 years of experience in international sales, business development, technology management and strategic business planning. Rish is currently the Vice-President of International Business at International Road Dynamics Inc. (IRD) and is responsible for managing IRD's international business involving the deployment and integration of intelligent transportation technologies in worldwide markets.



Michael J. Mueller

Michael Mueller is a business leader with over 40 years of experience in financial management and accounting. He is a former Global Leader of Pricewaterhouse Coopers' (PwC) Private Company Services/Middle Market Practice and a former member of PwC's Global Audit Leadership Team and Global Advisory Leadership Team, as well as the Global Markets Council.

CORPORATE STATEMENTS

Our Purpose

Together, we are responsible for the Gordie Howe International Bridge - a legacy landmark that connects nations, economies and cultures.

Our Team

At WDBA, we value our people and their contributions in an environment of trust, support and dedication.

Our Values

We treat each other with kindness and respect.

Talent and diversity are the cornerstones of our success.

Passion drives our creativity and innovation.

Our communities inspire us.

We take pride in our work and celebrate our accomplishments.

PROJECT AT A GLANCE

The Gordie Howe International Bridge project is one of the largest infrastructure projects in North America and, one of the most complex.

There are four components to the project:

THE BRIDGE

- Cable-stayed design and white-to-dark grey in colour
- Six-lanes with three Canadian-bound and three US-bound
- A dedicated, toll-free, multi-use path for pedestrians and cyclists
- Approximately 2.5 kilometres/1.5 miles
- Clear span of 853 metres/0.53 miles - the longest main span of any cable-stayed bridge in North America
- No piers in the water
- One approach bridge on each side of the crossing to connect POEs in Canada and the US
- Bridge tower shape to reflect the curvature of a hockey stick in a slap shot
- High-powered LED lighting to illuminate the bridge



Design excellence - a new gateway symbol for Canada and the United States. The project includes an impressive and inspiring architecture and landscape design featuring functionality, sustainability, and barrier-free accessibility.

CANADIAN PORT OF ENTRY (POE)

- Approximate 53 hectare/130 acre site
- Total building space of 12,438m²/133,881ft²
- Inbound border inspection facilities for both passenger and commercial vehicles
- Outbound inspection facilities
- Toll collection facilities for both the US-bound and Canada-bound traffic
- 24 primary inspection booths
- 10 hectares/24 acres total landscaped area
- Maintenance facility
- Footprint allows for the installation of further technology and the addition of expanded border processing facilities
- Will be the largest Canadian port along the Canada-US border and one of the largest anywhere in North America



I-75 INTERCHANGE

- Local road improvements including:
 - 4 new road bridges
 - 5 new pedestrian bridges
 - Widened roads at key intersections to allow transport trucks to make full uninterrupted turns
- Primary connecting ramps to and from the US POE
- 4 bridges crossing the railway and connecting I-75 to the US POE
- Reconfiguration of I-75 interchange ramps and service drives



US PORT OF ENTRY (POE)

- Approximate 68 hectare/167 acre site
- Total building space 30,318m²/326,335ft²
- Inbound border inspection facilities for both passenger and commercial vehicles
- Outbound inspection facilities
- Commercial exit control booths
- 36 primary inspection booths
- A 30m/100ft buffer with vegetation and a public path to surround the US POE
- 12 hectares/30 acres total landscaped area
- Will be one of the largest ports of entry in North America





PEOPLE



Colleen Kenney

Growing up in Windsor gives Colleen Kenney an innate connection to the community which attracted her to the job as Communications and Outreach Advisor. "This is a once-in-a-lifetime project for Windsor - one that will forever change the landscape and the economy. That's exciting to be a part of." Colleen responds to inquiries and interacts with the public at our Sandwich Community Office and at public events. She also maintains the project's social media accounts. "The most rewarding part of my job is when the public learns something new about the project. The Windsor and Detroit communities are enthusiastic about the project."



Terry Poole

A project of such magnitude and scale as the Gordie Howe International Bridge was something Terry Poole couldn't pass up. In 2019, Terry returned to Windsor -- where he was born and raised -- to be the project lead for BNA. "I have large bridge experience from previous projects across North America and wanted to bring that back to an exciting project happening right here in my hometown." Not only does Terry oversee the entire bridge component construction in Canada and the United States, he takes great pride in the people he works with on the project. "I love building a team that comes together to make it all happen. I feel fortunate that I may have a chance to influence the next generation of bridge builders."

Jacqueline Morreau's role as Construction Governance and Reporting Coordinator has allowed her to come back to the region after working on large infrastructure projects in Toronto. "When I first heard about the Gordie Howe International Bridge project, I was very interested not only given the nature of my work experience but also the close proximity to where I was born and raised in Chatham, Ontario." For the last three years, Jackie has supported the planning and coordination of the build -- from agreement oversight to federal aid eligibility requirements through the Enterprise Project Management Office (EPMO). "Working for WDBA on a legacy project as monumental as the Gordie Howe International Bridge has been an amazing experience, one that by far continues to exceed any and all my expectations."



Jacqueline Morreau

Luther D. Ramos joined WDBA in January 2020 and is one of the Crown corporation's in-house legal team. Luther has experience in international (or major) infrastructure projects in the energy sector, and provides advice on contract law, legal compliance and corporate policies. Knowing that his work on this historic project will have lasting benefits for generations to come in Canada and the United States is only one highlight of the job. "It is also rewarding to work with an organization that knows how to value diversity, promotes inclusivity and gives due recognition to the contributions of each team member."



Luther D. Ramos



Peter Andrew-McBride

Peter Andrew-McBride joined WDBA in December 2019 and as Environmental Coordinator, reviews designs and evaluates field activities to ensure the project is environmentally compliant on both sides of the border. "The bridge footings are only a few kilometres apart but reside in very different regulatory worlds. This poses some challenges but the results are professionally rewarding." The Windsor native worked on the Rt. Hon. Herb Gray Parkway project for more than a decade and wanted to see the overall end-to-end crossing project through to its completion. "With the bridge being the most iconic portion of the project, I wanted to continue to be involved in what is likely the most impressive build that I and my two small children will ever see in our lifetimes."



Estefany Della Nina

Estefany Della Nina moved to Canada from Brazil in 2016 and saw the opportunity at WDBA as a perfect place to start a new career in a new country. "I always wanted to be part of something that would benefit the community." As Procurement Officer, Estefany is responsible for the purchase of products and services, from office supplies to high-value service contracts, ensuring that the chosen supplier provides the best service at the best price. "The idea of being part of this legacy project that connects nations, economies and cultures is fascinating. Working at WDBA is my greatest professional achievement, and I am glad to be able to share it with my family."

The health, safety and wellbeing of the Gordie Howe International Bridge team is as fundamental as getting the project built. That is why Andreea Trif's role as Health and Safety Manager is so important. Since arriving from Calgary in March 2019, Andreea has been tasked with ensuring the safe completion of the bridge while having all employees return home safely to their families. She takes pride in her contributions to this landmark historical project between two countries. "The most rewarding part of my job is seeing the growth in the knowledge of the individuals and communities who are taking ownership of this project."



Andreea Trif

Hussein Ibrahim is the Administrative Manager for MDOT and has been working as the Associate Project Manager since the early stages of the procurement process in 2015. "The Gordie Howe International Bridge project is a once-in-a-lifetime opportunity to achieve many of my career goals as a civil engineer." Hussein is responsible for the build on the American side of the border -- from project oversight and demolition services to stakeholder engagement and agency coordination. "Helping to deliver a project that will connect the people and support the economies of Ontario, Michigan, Canada and the US is a notion of pride and personal virtue."



Hussein Ibrahim

WE VALUE OUR PEOPLE

WDBA is committed to building a talented and diverse workforce with an inclusive culture, knowing our people will determine our success.

Every employee is provided the necessary education, tools and resources to demonstrate key behaviours and implement inclusive programs to align with our value statements and the government's priority of 'Diversity is Canada's Strength'.



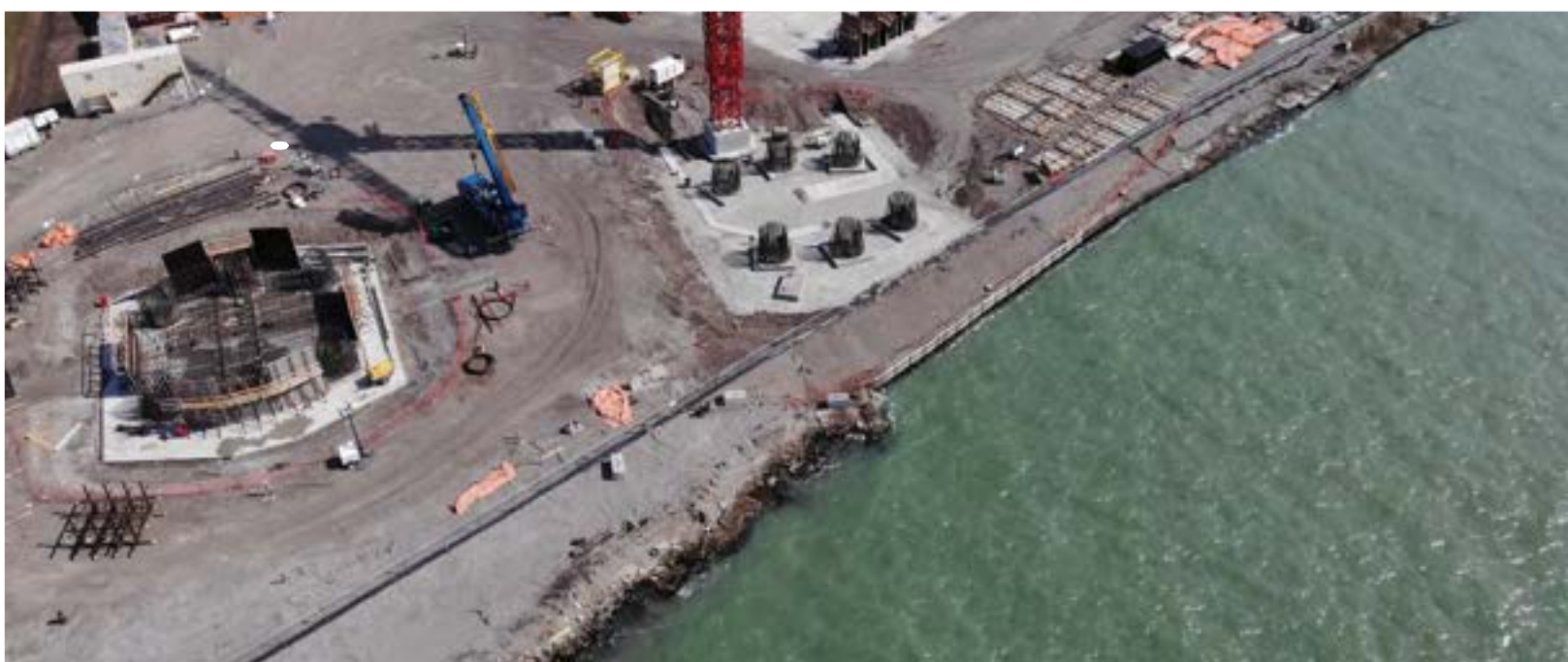
This year, WDBA also launched a voluntary survey for all staff and it is being reviewed to gather information on demographics as well as feedback on our workplace culture.



WDBA staff participated in the annual United Way Day of Caring at the Sandwich Community Office



PROGRESS





PROGRESS AT A GLANCE

The Bridge

24 of the required drilled shafts were completed, 12 on the Canadian Bridge site and 12 in the US to enable construction of the two bridge towers.

Wind tunnel testing was completed to gage the stability of the bridge as part of the structural design.

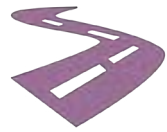


Canadian POE

The four-kilometre, two-lane Perimeter Access Road surrounding the Canadian POE was completed. This road will provide access to local businesses.

Approximately 90,000 wick drains were installed at the Canadian POE.

Overhead hydro transmission line relocation was completed at the Canadian POE.



US POE

Approximately 41,000 wick drains were installed at the US POE site to help soil consolidation in advance of construction activities.

80% of excavation for Phase 1 activities has been completed.



Michigan Interchange

Three road bridges crossing I-75 were demolished as part of Michigan Interchange work.

Pile driving activities were initiated for road bridge reconstruction.





PARTNERSHIP

COMMITMENT TO COMMUNITY BENEFITS

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 Gordie Howe International Bridge Community Benefits Plan was announced in June 2019 in partnership with BNA to an audience of over 100 guests including stakeholders and community supporters. The plan reflects regional priorities and is comprised of two components, the Workforce Development and Participation Strategy and the Neighbourhood Infrastructure Strategy.



The Workforce Development and Participation Strategy is geared toward engaging businesses and providing employment opportunities and is centered on: workforce development, training and pre-apprenticeships/ apprenticeships. The strategy includes over 80 initiatives that will be delivered in partnership with local organizations and workforce development agencies with the experience and resources in place to support training and skills development.



The Neighbourhood Infrastructure Strategy represents \$20 million in direct community investment on both sides of the border and was developed through public feedback and input. The 29 initiatives target the Sandwich/west Windsor area and the Delray/Southwest Detroit area, ensuring that the communities adjacent to the project are the ones benefitting most from the Neighbourhood Infrastructure Strategy. The initiatives are being implemented collaboratively with local delivery partners during the project's design-build phase.



Dr. Cassandra Montgomery, Executive Director, People's Community Service, speaking on the Community Benefits plan release

In July 2019, the project team launched the recruitment process for the Local Community Group which includes 16 members who represent a variety of stakeholder perspectives in these communities. The Local Community Group will provide valuable input and formal linkages to the region that will enable WDBA and BNA to better understand the perspective of stakeholders regarding the Community Benefits Plan.

In winter 2020, the first release of funding for four Community Benefits Plan initiatives was provided, totalling more than \$475,000. The funding will support two initiatives being undertaken in Canada and two in the US, in the areas of aesthetics and landscaping, economic benefits and community partnerships. Community Benefits Plan initiatives will continue to be implemented between 2020-2025, with additional funding to be released.



Life After Fifty - Sandwich Community Art Project \$20,000 (CDN)



City of Windsor - Ojibway Park Wildlife Eco-passage \$250,000 (CDN) of a larger investment of \$1.5 million in seed funding



Southwest Detroit Business Association - Southwest Detroit Business Development Program \$83,333 (CDN)



Friends of the Detroit River - Fort Street Bridge Park Sculpture \$125,000 (CDN)



STAKEHOLDER ENGAGEMENT

Over the last year, WDBA and its project partners continued to strengthen connections within the community to ensure residents, business owners, Indigenous Peoples and other key stakeholders remain involved in project planning and delivery.



891
inquiries
adressed



Met with over
2000 stakeholders



8
consultation
topics



Over **800**
consultation
submissions



366
stakeholder engagement
events



20+ education
engagements with
learners of all ages

Collaboration and strategic partnerships are fundamental to the success of the Gordie Howe International Bridge project. We have developed and maintained strong partnerships with government agencies, communities, contractors, businesses, educators, elected officials, and those with an interest in the project on both sides of the border. We are working with our partner organizations to ensure that they are engaged both during the construction and operations phases of the project and that they will directly benefit from the economic and community development opportunities the project offers.



Stakeholder engagement is a team effort with the support of our project partners, Bridging North America, Michigan Department of Transportation, Federal Highway Administration, Infrastructure Canada and the cities of Windsor and Detroit.



Official opening of the Sandwich Community Office - August 21, 2019

STRATEGIC PRIORITIES

In previous years' Corporate Plans, WDBA established a set of strategic priorities which continue to be executed against to ensure the successful delivery of the Gordie Howe International Bridge project and the Crown corporation's mandate.

Over the fiscal year 2019-2020, WDBA has achieved milestones and goals on the following priorities:

- Executing on oversight plans, ensuring Project Agreement obligations are met
- Design and construction of the Gordie Howe International Bridge project
- Site preparations
- Building organizational capacity and continued organizational development during the Design-Build phase
- Stakeholder engagement and external positioning for operations
- Transition planning from construction to operations phases

Executing on oversight plans, ensuring Project Agreement obligations are met

A strong project governance framework has been implemented to provide comprehensive, cross-functional oversight of contracts and BNA's performance on the Gordie Howe International Bridge project.

The objective in implementing this framework was to ensure safe delivery of the scope of work, on time and on budget, without compromising on project benefits while, at the same time, mitigating risks.

Design and construction of the Gordie Howe International Bridge project

In 2019-2020, substantial progress was made on detailed design of the Gordie Howe International Bridge project. Additionally, key construction activities commenced on the permanent works for all four components – the Canadian POE, Bridge (and its approaches), the US POE and the Michigan Interchange.



Site Preparations

The strategic priority of site preparations includes US property acquisition, Early Works, and utility relocation in Canada and the US.

US Property Acquisition

In 2019-2020, substantial progress was made by the Michigan Department of Transportation (MDOT), which is responsible for all property acquisitions in Michigan related to the Gordie Howe International Bridge project, with oversight from WDBA. As part of the process, once the properties are in MDOT's possession they proceed to make them project-ready, by completing environmental investigations (if applicable) and demolition (if applicable), for transfer to BNA for construction.

By the start of fiscal year 2020-2021, all parcels of land required for the US POE and Michigan Interchange, with the exception of two parcels, will have been acquired and handed over to BNA for construction.

Canadian Early Works and Utility Relocations

The Early Works comprise, in part, the construction of a new Perimeter Access Road around the Canadian POE providing municipal connectivity to the City of Windsor road network. This new road provides access to the Canadian POE for employees and utility servicing for the new complex. In terms of results on this 2019-2020 objective, substantial areas of the Canadian POE lands were turned over to BNA in June 2019. The Perimeter Access Road and related utilities were completed in December 2019.

US Utility Relocations

Within the US POE and Michigan Interchange, there are major third-party utilities that require relocation to facilitate the project construction. WDBA undertook this work through MDOT and the utility companies over several years, with committed dates for completion. In fiscal year 2019-2020, the remaining DTE and ITC utility relocations were completed and the US utility relocations for which WDBA is responsible are now complete.

Building Organizational Capacity and Continued Organizational Development during the Design-Build Phase

WDBA successfully achieved staffing goals by end of summer 2019 and continues to analyze its resourcing requirements.



Stakeholder Engagement and External Positioning for Operations

WDBA has built meaningful and important relationships through the delivery of stakeholder engagements and communications over 2019-2020. With frequent community, individual and media interactions taking place, WDBA has maintained a strong reputation as a reliable and trusted community member. WDBA has presented at dozens of conferences, including at the national and international fronts and has been internationally recognized with prestigious awards including Government Agency of the Year.

With the announcement of the Community Benefits Plan, WDBA addressed high profile concerns from community members and elected officials and effectively demonstrated the importance the organization places on supporting local priorities.

Transition Planning from Construction to Operations

To commence planning for the transition from the design-build phase to the operations phase, an operational readiness plan is being developed, as well as a mandate and governance framework.



FINANCIALS

2019-2020 FINANCIAL RESULTS

Overview

Fiscal Year 2019-2020 was the sixth year of operations for WDBA, and the second year of construction for the Gordie Howe International Bridge Project. BNA has continued with mobilization for construction, design work on the components of the project, procurement of materials and services, and certain construction activities.

The prior year saw significant costs incurred for BNA's initial mobilization, the reimbursement of the unsuccessful bidders, property acquisition in Michigan, and work performed for other government agencies, resulting in an overall decrease in expenses compared to the prior year. Tangible capital assets have increased considerably as BNA carries out its construction, design, and procurement activities.

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 2019-2020, WDBA also continued advancing the following objectives, activities and expected results:

1. Executing on Oversight Plans, Ensuring Project Agreement Obligations are met
2. Design and Construction of the Gordie Howe International Bridge Project
3. Site Preparations (includes, US Property Acquisition, Early Works, and Utility Relocation in Canada and the US)
4. Building Organizational Capacity and Continued Organizational Development During the Design-Build Phase
5. Stakeholder Engagement and External Positioning for Operations
6. Transition Planning from Construction to Operations

Statement of Operations

Overview

WDBA's level of activity increased in Fiscal Year 2019-2020 over the prior year. However, as significant costs were incurred in the prior year related to BNA's initial mobilization, the reimbursement of the unsuccessful bidders, property acquisition in Michigan, and work performed for other government agencies WDBA experienced a year-over-year decrease in expenses.

Revenue

WDBA revenue of \$14.4 million (2019: \$5.0 million) is substantially from proceeds of insurance of \$5.1 million (2019: \$0.5 million), interest earned on cash balances of \$4.9 million (2019: \$4.5 million), and a foreign exchange gain of \$4.4 million (2019: \$0).

Expenses

WDBA incurred \$122.8 million (2019: \$211.6 million) of direct expenses in support of the project. The prior year included significant costs related to BNA's initial mobilization, the reimbursement of the unsuccessful bidders, property acquisition in Michigan, and work performed for other government agencies, resulting in an overall decrease in direct expenses of \$88.8 million.

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 \$8.6 million of internal services costs (2019: \$9.2 million).

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

(thousands of dollars)		
	2020	2019
I-75 Costs	86,087	127,168
Payroll and Benefits	11,872	8,885
Legal Services	5,728	8,381
Michigan Land	5,638	12,086
Insurance	5,494	4,909
Professional Services	5,207	18,262
Amortization	5,081	1,111
Local Road Improvements	2,659	5,083
Office and Maintenance	1,041	820
Rent	759	701
Property Taxes	541	646
Community Benefits	478	-
Travel expenses	356	437
Transfers to International Authority	300	2
Other	154	139
Repairs and Maintenance	28	3
Work performed for other Government Agencies	7	5,977
Reimbursement for Unsuccessful Proponents	-	30,000
Foreign Exchange Loss	-	2,247
	131,430	226,857

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 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 mobilization; current year costs are primarily related to the I-75 portion of construction, design, procurement, and BNA's administration and financing costs.

Reimbursement for Unsuccessful Proponents represents costs that were incurred by the two unsuccessful proponents in an effort to secure the P3 agreement for the Gordie Howe International Bridge that were reimbursed by WDBA in accordance with the terms of the Request for Proposal. The procurement process for the P3 allowed for the reimbursement of costs for the two unsuccessful proponents, to a limit of \$15 million each. The maximum reimbursements were provided.

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

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.

Work performed for other government agencies relates primarily to environmental remediation work on a property adjacent to the Canadian POE for Infrastructure Canada. The work was substantially completed in the prior year.

The decrease in legal services is primarily due to lower levels of property acquisition activities in Michigan compared to the prior year and completion of the P3 procurement process.

Local Road Improvements represents mobilization and design costs related to work to be performed on local roads in Canada outside of the Canadian POE. Costs were higher in the prior year due to BNA incurring significant costs associated with mobilization; current year costs are primarily related to the local road portion of construction, design, procurement, and BNA's administration and financing costs.

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 PAR is still under construction; however, portions of the PAR have been placed into service; the increase in amortization is due to a portion of the PAR being placed into service during the year.

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

Appropriations

To support its activities, WDBA received \$577.0 million (2019: \$351.0 million) in appropriations and recoveries and ended the year with a net surplus of \$460 million (2019: \$129.2 million). The surplus results mainly from appropriations used for the acquisition of tangible capital assets; the majority 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, the Early Works, Canadian and US utility relocation, design and engineering cost and WDBA operations. Appropriations were higher in 2020 primarily to fund BNA's activities as BNA ramps up design, procurement, and construction activities.

Government Transfers - Recoveries

Government transfers - recoveries relates to amounts reimbursed to WDBA for the environmental remediation work on a property adjacent to the Canadian POE owned by Infrastructure Canada. The work was substantially completed in the prior year.

Statement of Financial Position

Overview

BNA's activities, property acquisition, utility relocation, capitalized design and engineering costs, and Early Works on the Canadian lands have driven significant changes in the Statement of Financial Position compared to the prior year. The impact of these activities is reflected in increases in non-financial assets and net debt.

Net Debt

As of March 31, 2020, WDBA's net debt was \$556.1 million (2019: \$452.6 million). Financial assets of \$219.5 million (2019: \$278.1 million) were mostly made up of \$174.2 million in cash and \$45.2 million in accounts receivable (2019: \$240.4 million and \$36.5 million), offset by \$775.7 million in liabilities (2019: \$730.6 million).

As of March 31, 2020, WDBA had \$41.3 million in its operating cash accounts (2019: \$51.1 million), and a restricted cash balance of \$132.9 million in an escrow account (2019: \$189.3 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 consist mainly 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 \$79.3 million as of March 31, 2020 (2019: \$117.4 million) included payables and accruals for BNA activities, Michigan activities, engineering consulting services, utility relocation, legal fees, and other consulting services. The decrease is primarily due to a lower level of activity in Michigan and the wrapping up of utility relocation.

Accrued employee benefits of \$1.0 million (2019: \$0.8 million) represents accruals for employee bonuses and vacations. WDBA recorded an environmental liability of \$9.1 million as of March 31, 2020 (2019: \$19.5 million) to reflect the anticipated costs of remediating contaminated properties.

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 \$1,590.6 million of capital assets as of March 31, 2020 (2019: \$988.4 million). These consist primarily of costs incurred related to the Gordie Howe International Bridge project (Construction in Progress), leased property in Michigan, and land contributed by Infrastructure Canada.

Construction in Progress of \$1,352.8 million (2019: \$858.2 million) includes costs related to the building of the Bridge, and the Canadian and US POEs. Given that the project is still in its early stages, the majority of the capitalized costs relate to BNA's activities (mobilization, design, administration and financing), utility relocation, professional services such as the general engineering contractor, and the Early Works on the Canadian lands. The primary reason for the increase is BNA's design, procurement and construction activities.

The table below provides a breakdown of Construction in Progress:

<u>(thousands of dollars)</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Bridge	544,041	335,133
Canadian Port of Entry	423,862	297,502
US Port of Entry	384,852	225,585
	<u>1,352,755</u>	<u>858,220</u>

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 2020 was \$90.3 million (2019: \$58.3 million).

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 \$98.1million (2019: \$135.6 million) primarily consists of costs related to the acquisition of land in Michigan of \$81.3 million (2019: \$113.4 million). Of this amount, \$65.9 million (2019: \$75.1 million) has been acquired by MDOT and \$15.4 million (2019: \$38.3 million) relates to properties that MDOT is in the process of acquiring through the State of Michigan's eminent domain process.

Prepaid expenses also include \$16.6 million of prepaid insurance (2019: \$22.0 million) related mainly to WDBA's owner-controlled insurance program for insurance related to the construction of the project.

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, 2020, is \$1,607.4 million (2019: \$889.9 million). The aggregate Imputed Cost on accrued as of March 31, 2020, is \$131.1 million (2019: \$82.8 million). These amounts are offset by aggregate Crossing Authority Revenue received of \$90.6 million as of March 31, 2020 (2019: \$24.8 million), for a balance of \$1,648.0 million in Unrecouped Canadian Contributions as of March 31, 2020 (2019: \$947.9 million).

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

WINDSOR-DETROIT BRIDGE AUTHORITY FINANCIAL STATEMENTS

For the year ended March 31, 2020

Statement of Management Responsibility

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

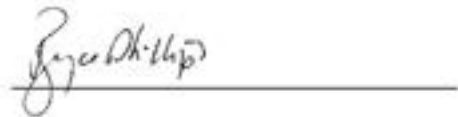
The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and necessarily include some estimates, which are based on management's best judgements.

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 Auditor General of Canada is responsible for auditing the financial 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 19, 2020

Independent Auditor's Report



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 2020, 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 2020, 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.

Independent Auditor's Report

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 the 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.

Independent Auditor's Report

- 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
19 June 2020

Statement of Financial Position

Windsor-Detroit Bridge Authority
as at March 31

(thousands of dollars)

	2020	2019
FINANCIAL ASSETS		
Cash	41,324	51,090
Restricted cash (Note 3)	132,885	189,276
Accounts receivable	45,172	36,527
Deposits	159	1,160
Total Financial Assets	219,540	278,053
LIABILITIES		
Accounts payable and accrued liabilities	79,255	117,376
Accrued employee benefits	1,009	784
Environmental liability (Note 4)	9,088	19,523
Holdback (Note 5)	85,183	10,666
Due to private partner (Note 6)	601,146	582,280
Total Liabilities	775,681	730,629
Net Debt	556,141	452,576
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	1,590,564	988,380
Prepaid expenses (Note 8)	98,087	135,583
Total Non-Financial Assets	1,688,651	1,123,963
Accumulated Surplus	1,132,510	671,387
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,131,041	671,044
Accumulated rereasurement gains	1,469	343
	1,132,510	671,387
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


Marie Campagna
Chair of Audit Committee

Statement of Operations

Windsor-Detroit Bridge Authority
for the year ended March 31

(thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual
REVENUE			
Revenue from operations	-	35	38
Proceeds from insurance claims	-	5,139	515
Interest	-	4,903	4,492
Foreign exchange gain	-	4,350	-
Total Revenue	-	14,427	5,045
EXPENSES (Note 11)			
Gordie Howe International Bridge Project	212,088	122,780	211,631
Internal services	9,731	8,643	9,249
Work performed for other Government agencies	-	7	5,977
Total Expenses	221,819	131,430	226,857
Deficit before Government funding	(221,819)	(117,003)	(221,812)
Government transfers - appropriations	830,007	576,993	345,052
Government transfers - recoveries	-	7	5,948
	830,007	577,000	351,000
Annual operating surplus	608,188	459,997	129,188
Accumulated operating surplus, beginning of year	694,459	671,044	541,856
Accumulated operating surplus, end of year	1,302,647	1,131,041	671,044

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)

	2020	2019
Accumulated remeasurement gains (losses), beginning of year	343	(5,420)
Unrealized gains attributable to:		
Foreign exchange	5,476	3,516
Amounts reclassified to the Statement of Operations:		
Foreign exchange	(4,350)	2,247
Net remeasurement gains for the year	1,126	5,763
Accumulated remeasurement gains end of year	1,469	343

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)

	2020 Budget	2020 Actual	2019 Actual
Annual operating surplus	608,188	459,997	129,188
Acquisition of tangible capital assets	(910,642)	(607,266)	(701,543)
Amortization of tangible capital assets	127	5,081	1,111
	(302,327)	(142,188)	(571,244)
Changes in other non-financial assets			
Net change in prepaid expenses	3,620	(52,823)	(76,326)
Transfer of prepaids to capital	108,052	90,319	58,345
	111,672	37,496	(17,981)
Net remeasurement gains for the year	-	1,126	5,763
Change in net debt	(190,656)	(103,566)	(583,462)
Net financial assets (net debt), beginning of year	(498,713)	(452,575)	130,887
Net debt, end of year	(689,369)	(556,141)	(452,575)

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)

	2020	2019
OPERATING TRANSACTIONS		
Cash receipts from Government transfers	577,000	351,000
Interest received	5,006	4,522
HST Refunds	55,571	9,943
Other cash receipts	1,113	532
Cash payments to suppliers	(237,492)	(209,476)
Proceeds from insurance claims	5,139	515
Cash payments to and on behalf of employees	(11,292)	(8,582)
Transfers to International Authority	(300)	(1)
Cash Provided by Operating Transactions	394,745	148,453
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(467,536)	(111,872)
Cash applied to Capital Transactions	(467,536)	(111,872)
Effect of exchange rate changes on cash	6,634	4,864
Increase (decrease) in cash and cash equivalents	(66,157)	41,445
Cash and cash equivalents at beginning of year	240,366	198,921
Cash and cash equivalents at end of year	174,209	240,366
Cash is composed of:		
Cash	41,324	51,090
Restricted cash	132,885	189,276
	174,209	240,366

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

NOTES TO THE FINANCIAL STATEMENTS

1. Authority and Activities

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* (FAA) 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 appointed 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 will require funding from the Government of Canada to partially fund the construction of the international crossing. After completion of the bridge WDBA will continue to depend on funding from the Government of Canada to finance operations until the bridge operations generate a surplus.

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 expire 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 in 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 19, 2020.

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 various 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. Throughout the construction period progress payments are paid to BNA based on completed milestones which are certified by the 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 92 and 94 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 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 in order 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:

Categories	Financial instruments	Measurement
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 as a result 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. 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, 2021. 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 the 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 of 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 (2019: \$0), and \$9,088 for the Michigan land, (2019: \$19,523) for a total of \$9,088 (2019: \$19,523). 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, \$7,662 (2019: \$16,653) was capitalized to the cost of the Project, and \$1,426 (2019: \$2,870) 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 \$574,803), 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:	
2021 Through 2023	-
2024	11,683
2025	35,048
2026 and Thereafter	1,004,720
Less: Total Interest	(476,649)
Private Partner Contribution	574,803
Capitalized Interest To Date	21,338
Expensed Interest To Date	5,005
Liability	601,146

7. Tangible Capital Assets

(thousands of dollars)

	Leasehold Improvements	Computer and Office Equipment	Construction in Progress	Land	Roads	Leased Property	Total
Cost							
April 1, 2018	832	327	222,622	64,886	-	-	288,667
Acquisitions	19	10	643,169	-	-	-	643,198
Transfers	-	-	(7,571)	-	7,571	-	-
Transfers from Prepaids	-	-	-	-	-	58,345	58,345
March 31, 2019	851	337	858,220	64,886	7,571	58,345	990,210
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 Prepaids	-	-	-	-	-	90,319	90,319
March 31, 2020	911	546	1,352,755	64,886	24,332	154,045	1,597,475
Accumulated Amortization							
April 1, 2018	415	304	-	-	-	-	719
Amortization	114	14	-	-	675	308	1,111
March 31, 2019	529	318	-	-	675	308	1,830
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
Net Book Value							
March 31, 2019	322	19	858,220	64,886	6,896	58,037	988,380
March 31, 2020	272	210	1,352,755	64,886	19,901	152,540	1,590,564

At March 31, 2020, WDBA recognized construction in progress of \$1,352,755 (2019: \$858,220) for the Project based on eligible costs incurred to date, including capitalized interest of \$21,338 (2019: \$6,056). 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 \$88,746 (2019: \$132,251) of expense related to the I-75 costs and local road improvements, including interest of \$3,584 (2019: \$1,421).

The acquisition of tangible capital assets shown above includes an amount of \$49,410 (2019: \$565,862) for capital items and holdbacks that remain to be paid for as at March 31, 2020. 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 2020, \$90,319 (2019: \$58,345) of Michigan land was transferred from prepaid expenses (Note 8 - Michigan Land acquisition) to tangible capital assets (Leased Property).

8. Prepaid Expenses

(thousands of dollars)

	2020	2019
Michigan Land Acquisitions	65,933	75,075
Prepaid Insurance	16,588	22,036
Michigan Land Acquisitions through Condemnation	15,363	38,305
Other	203	167
	98,087	135,583

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, and IT/ Communications for amounts totaling \$4,527,002 (2019: \$5,155,717). 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
2021	1,842	912	681,633	-	301	684,688
2022	487	912	867,775	-	137	869,311
2023	378	912	804,576	-	87	805,953
2024	310	876	349,571	2,199	31	352,987
2025	195	837	377,931	13,686	4	392,653
2026 and thereafter	16	2	78,622	1,342,767	3	1,421,410
	3,228	4,451	3,160,108	1,358,652	563	4,527,002

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. It is the opinion of management that the settlement of such matters will not result in any material liabilities to WDBA for the year ended March 31, 2020.

11. Expenses by Type

(thousands of dollars)

	2020	2019
I-75 Costs	86,087	127,168
Payroll and Benefits	11,872	8,885
Legal Services	5,728	8,381
Michigan Land	5,638	12,086
Insurance	5,494	4,909
Professional Services	5,207	18,262
Amortization	5,081	1,111
Local Road Improvements	2,659	5,083
Office and Maintenance	1,041	820
Rent	759	701
Property Taxes	541	646
Community Benefits	478	-
Travel expenses	356	437
Transfers to International Authority	300	2
Other	154	139
Repairs and Maintenance	28	3
Work performed for other Government Agencies	7	5,977
Reimbursement for Unsuccessful Proponents	-	30,000
Foreign Exchange Loss	-	2,247
	131,430	226,857

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 \$391 (2019: \$285), and recorded government funding of \$576,993 (2019: \$345,052). At March 31, 2020, WDBA recorded \$44,981 (2019: \$36,082) in accounts receivable and \$0 (2019: \$0) in accounts payable with related parties.

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

Government Transfers - Recoveries

WDBA recovered costs of \$7 (2019: \$5,948) 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.

The replacement property was determined to require environmental remediation. The Government of Canada requested WDBA to undertake the remediation of the property and entered into a memorandum of understanding with WDBA for the remediation of the property. The funding for the portion of the property to be contributed to WDBA is recognized in Government Transfers – Appropriations. The funding for the portion to be retained by the Government of Canada and provided as a replacement property is recognized in Government Transfers – Recoveries.

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)	2020	2019
Restricted Cash	132,885	189,276
Cash	41,324	51,090
Deposits	159	1,160
	174,368	241,526

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	-	-	601,146	601,146
Accounts payable and accrued liabilities	79,255	-	-	79,255
Holdback	-	3,259	81,924	85,183
	79,255	3,259	683,069	765,583

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 \$2,340 (2019: \$2,156).

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, 2020 would have a net impact of approximately \$944 (2019: \$1,205).

14. Benefit Plans

WDBA offers two benefit plans to its employees, a pension plan, and a group benefit plan. The pension plan is a defined contribution plan. Under the group benefit plan WDBA pays the premiums for certain benefits; the remainder are paid by the employee. The expense recognized for each plan is disclosed in the table below:

(thousands of dollars)	2020	2019
Group benefit plan	657	440
Pension plan	650	528
	1,306	968

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 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. In order 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. Prior to January 1, 2018, executive employees were required to make basic contributions equal to 6% of their base earnings; WDBA was required to contribute 12% of the executive employees' base earnings.

b. 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 Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. While these measures have limited the opportunity for personnel working on the bridge crossing the border, as of March 31, 2020, WDBA had not experienced any significant delays in the construction of the bridge infrastructure which, in management's view, could potentially result in remedies due to BNA under the Project Agreement. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, WDBA's operations and any remedies which may become due by WDBA under the Project Agreement are not known at this time.

16. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

17. 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.

STATEMENT OF CANADIAN CONTRIBUTIONS & STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

For the year ended March 31, 2020

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 19, 2020

STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

for the year ended March 31

(thousands of Canadian dollars)

	2020	2019
Canadian Contributions:		
Opening balance (note 4)	889,908	558,884
Canadian Contributions for the year	717,523	331,024
Aggregate Canadian Contributions	1,607,431	889,908
Imputed Cost of Unrecouped Canadian Contributions:		
Opening balance (note 4)	82,790	52,662
Imputed Cost for the year	48,295	30,128
Aggregate Imputed Cost	131,085	82,790
Crossing Authority Revenue:		
Opening balance	(24,839)	(9,859)
Crossing Authority Revenue for the year	(65,716)	(14,980)
Aggregate Crossing Authority Revenue	(90,555)	(24,839)
Total Unrecouped Canadian Contributions	1,647,961	947,859

Independent Auditor's Report



Office of the
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 2020 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 2020 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

Independent Auditor's Report

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.

Independent 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
19 June 2020

NOTES TO THE STATEMENT OF CANADIAN CONTRIBUTIONS & 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 (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.

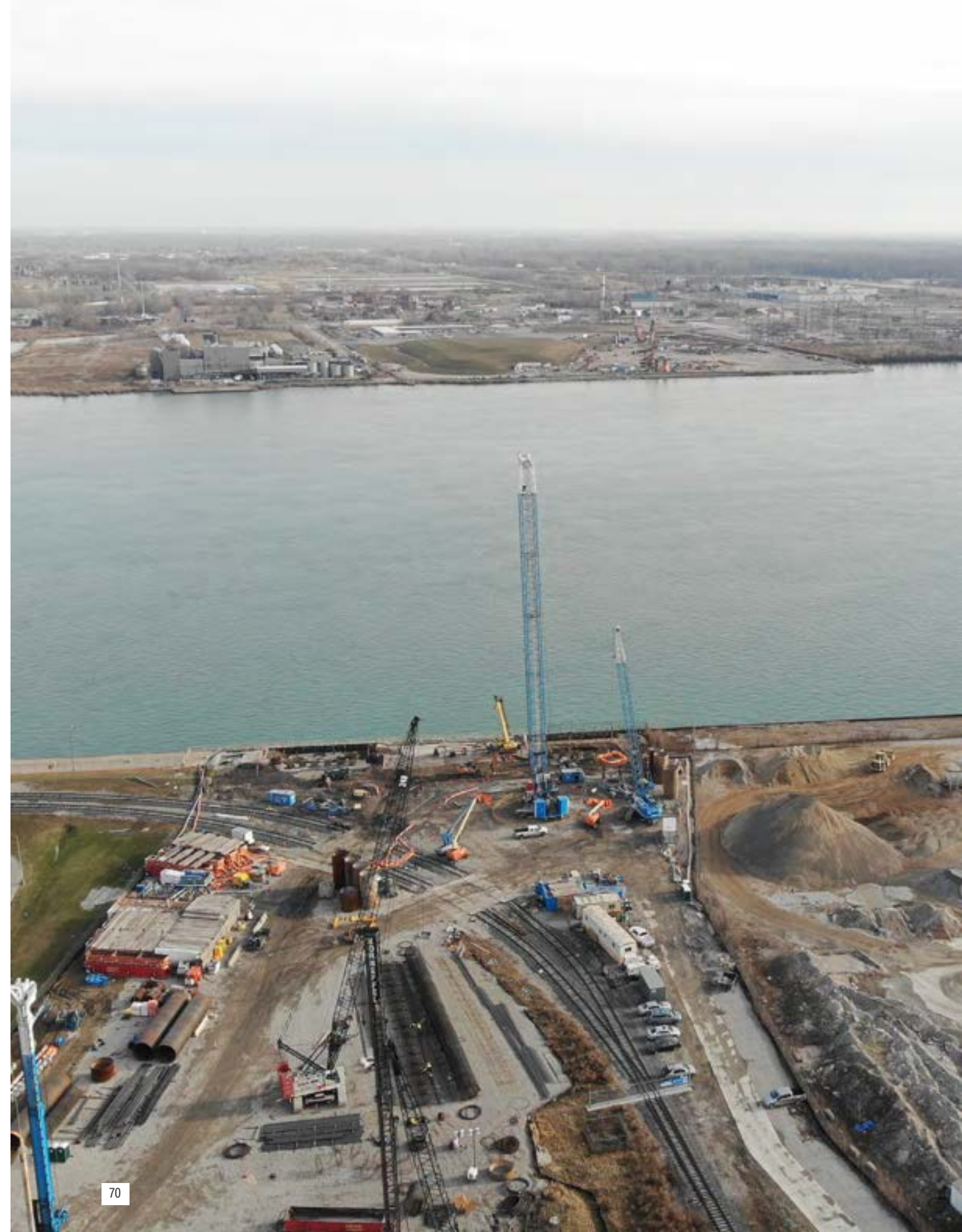
3. COMPARABILITY TO THE FINANCIAL STATEMENTS OF THE CROSSING AUTHORITY

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.



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