

# ANNUAL REPORT

2021-2022





# TABLE OF CONTENTS

<b>3</b>	<b>4</b>	<b>6</b>
LAND ACKNOWLEDGMENT	MESSAGE FROM THE CHAIR	MESSAGE FROM THE CHIEF EXECUTIVE OFFICER
<b>8</b>	<b>16</b>	<b>20</b>
ABOUT OUR ORGANIZATION	STRATEGIC OBJECTIVES	PROJECT OVERVIEW
<b>22</b>	<b>28</b>	<b>34</b>
CONSTRUCTION PROGRESS	ENGAGEMENT AND COMMUNITY BENEFITS	SUSTAINABILITY
<b>40</b>	<b>44</b>	<b>46</b>
HEALTH AND SAFETY	PLANNING FOR THE FUTURE	AWARDS
<b>50</b>	<b>58</b>	<b>62</b>
FINANCIAL RESULTS	INDEPENDENT AUDITOR'S REPORT	FINANCIAL STATEMENTS
<b>68</b>	<b>85</b>	<b>86</b>
NOTES TO THE FINANCIAL RESULTS	STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS	INDEPENDENT AUDITOR'S REPORT
<b>90</b>	<b>94</b>	
NOTES TO THE STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS	CONNECT WITH US	



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

## MESSAGE FROM THE CHAIR

"As Chair, I look forward to sharing my expertise in P3 and public policy with my Board colleagues and continuing to build upon the foundation set before me. I firmly believe that infrastructure can improve the quality of life for citizens and when we get it right, we become a better country."



Tim Murphy  
Chair

Twitter: @TJHisLaw  
LinkedIn: [linkedin.com/in/tjmurphy1959](https://www.linkedin.com/in/tjmurphy1959)

*\* Appointed Chair December 2021*



The Gordie Howe International Bridge project is the largest and most ambitious bi-national infrastructure project along the Canada-US border. I am honoured to have been asked by the Government of Canada to serve as Chair of the Board of Directors for Windsor-Detroit Bridge Authority (WDBA) effective December 2021 and, with that, to ensure the successful delivery of this critical piece of infrastructure.

The Board of Directors for WDBA is accountable for the stewardship and oversight of the Crown corporation. As I transitioned into the role of Chair, I saw firsthand the dedication through which WDBA board members provide the necessary governance as construction entered its busiest period of work to date.

Over the course of the year, the boards and executives of WDBA and Bridging North America (BNA) met understanding that only through a healthy working relationship will our project goals be met. That relationship starts at the top of both organizations, and it has been my pleasure to get to know leaders at both organizations since my appointment.

This project is a top priority for the Government of Canada. In advancing the completion of the Gordie Howe International Bridge, we are creating a vital link with Canada's largest trading partner. It will deliver much-needed transportation improvements and redundancy to the Windsor-Detroit trade gateway. It will also provide improved border processing capabilities and system connectivity, connecting Highway 401 in Ontario to I-75 in Michigan. This project has been recognized as being a leader in sustainable infrastructure – helping the government deliver on its priorities of climate action and job growth while supporting critical supply chains.

Our achievements over the past fiscal year are a direct outcome of the diligence of our staff and Board of Directors including former Chair, Dwight Duncan. I would also be remiss not to thank our partners at BNA, the State of Michigan, Michigan Department of Transportation, US Federal Highway Administration, Canada Border Services Agency, Canadian Food Inspection Agency, US Customs and Border Protection, US General Services Administration and Infrastructure Canada for their ongoing trust and support.

I look forward to working with the board and staff to ensure accountability and transparency in the delivery of this critical piece of infrastructure. The Gordie Howe International Bridge project spans one of North America's busiest trade corridors and is a testament to the highly integrated nature of the Canada-U.S. economy.

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

"More so than any previous year, our relationships were key to our successes in 2021-2022. I express my sincerest gratitude to WDBA's Board of Directors for their guidance and experienced direction. I thank the International Authority for their perspectives and overseeing our compliance with the Crossing Agreement. I have welcomed my engagement with the Minister of Intergovernmental Affairs, Infrastructure and Communities and the partnership with colleagues at Infrastructure Canada as well as other Government of Canada departments and agencies. I am grateful for the collaborative spirit put forth by our friends at the Michigan Department of Transportation and bridge co-owners at the State level. Finally, I recognize and express my appreciation to BNA and their staff and contractors for their partnership on one of the largest infrastructure projects in North America today."



Bryce Phillips  
Chief Executive Officer

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



Fiscal year 2021-2022 was marked with several accomplishments for Windsor-Detroit Bridge Authority (WDBA) and the Gordie Howe International Bridge project. Through collaboration with and oversight of our private-sector partner, Bridging North America (BNA), construction continued on all four components of the project – the Canadian and US Ports of Entry (POE), the Michigan Interchange and the bridge itself.

The most visible sign of progress was manifested through the bridge tower legs which rose from approximately 27 metres/90 feet to 136 metres/446 feet over the course of the fiscal year. Now viewable from distances across Windsor and Detroit, the towers offer excitement of what's to come. Construction activities at the POEs in Canada and the US have moved from underground and preparatory activities to concrete pours and steel erection for buildings. Work on the Michigan Interchange advanced from the removal of existing structures to the re-opening of the Livernois and Springwells road bridges.

Thanks to the safety precautions implemented by WDBA and BNA's Joint Health and Safety Team, crews were on site year-round despite the ongoing pandemic. Furthermore, four million hours were worked without a Lost Time Injury this fiscal year. It's a remarkable achievement highlighted with an award from the Infrastructure Health and Safety Association (IHSA).

Of particular pride this year is the achievement of a prestigious Envision Platinum Award for the Gordie Howe International Bridge project. This certification is the highest possible distinction from the Institute for Sustainable Infrastructure (ISI) which recognizes efforts to achieve sustainable development and environmental performance standards at every stage of an infrastructure project. This certification highlights WDBA's commitment to deliver sustainable infrastructure – one that is socially, environmentally and economically responsible.

This commitment is further fulfilled through the delivery of the project Community Benefits Plan. In the third year of implementing the plan's Workforce Development and Participation Strategy and the Neighbourhood Infrastructure Strategy, we are seeing positive outcomes envisioned by and for adjacent communities. More than 40 per cent of people oriented to work on the project are from Windsor-Essex or Detroit, far exceeding the set goal of a 20 per cent local workforce. Funding has advanced numerous initiatives on both sides of the border including those that explore and celebrate the diverse culture of the Windsor-Detroit region, that provide trees for planting in the community and that create new local business development programs.

Throughout the fiscal year, WDBA staff demonstrated dedication, kindness, resilience and pride. While many staff continued to work remotely, those whose jobs required them to attend our offices or construction sites did so, while supporting each other's efforts to stay healthy. We have stayed engaged and connected with each other and with the public, stakeholders, Indigenous Peoples, elected officials and businesses. I thank all staff for their unparalleled drive and excellence.

Our partners have the common goal of delivering the Gordie Howe International Bridge project. As we get there, the towers will reach new heights, walls will be built and roads will open. Never being a construction project only, we will invest in social, environmental and economic initiatives that support sustainability. We will keep our team members and the community safe and engaged. We will make progress. We will make positive change. We will do this... together.

# ABOUT OUR ORGANIZATION

PAGES 9-15



A rendering of the canopy outside the Main Building at the Canadian Port of Entry.

## WHO WE ARE

Windsor-Detroit Bridge Authority (WDBA) is a Canadian Crown corporation established in 2012 to deliver and operate the Gordie Howe International Bridge between Windsor, Ontario and Detroit, Michigan. We are responsible for overseeing our private-sector partner, Bridging North America (BNA), and, as bridge operator, we will set and collect tolls. WDBA reports to Parliament through the Minister of Intergovernmental Affairs, Infrastructure and Communities and we are guided by our Board of Directors.

## MANDATE AND MISSION

Under the terms of our 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. We are doing so through a public-private partnership (P3) agreement procured through a procurement process.

## INTERNATIONAL AUTHORITY

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

The six members of the IA met eight times over fiscal year 2021-2022. The members, with equal representation from Canada and Michigan, are:

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

# BOARD OF DIRECTORS

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

Tim Murphy — Chair	Karla Avis-Birch	Marie Campagna
Judi Cohen	Shelly Cunningham	André Juneau
Rish Malhotra	Michael Mueller	Bryce Phillips — CEO

Members represent a broad spectrum of stakeholder interests and, together, bring the required mix of skills and experience needed to guide management to deliver on WDBA's mandate. The Board of Directors has overall responsibility for the oversight of WDBA, holds management accountable for fulfilling WDBA's statutory mandate and achieving corporate objectives, and ensures that significant risks to the corporation are identified and well managed. It also plays an important role in setting WDBA's strategic direction and ensuring alignment with the priorities of the Government of Canada.

During 2021-2022, there were:

- ▶ 10 meetings of the Board of Directors
- ▶ 5 meetings of the Audit Committee
- ▶ 5 meetings of the Communications and Outreach Committee
- ▶ 5 meetings of the Governance and Human Resources Committee
- ▶ 4 meetings of the Project Oversight Committee

## AUDIT COMMITTEE

The Audit Committee is responsible to ensure transparent and accurate reporting of financial information, effective risk management practices, internal control and the corporation's standards of integrity and behaviour. While the Auditor General of Canada is the corporation's external auditor, the Audit Committee oversees WDBA's internal audit function.

Marie Campagna Chair	Judi Cohen Member	Michael Mueller Member	Tim Murphy Ex Officio
-------------------------	----------------------	---------------------------	--------------------------

## COMMUNICATIONS AND OUTREACH COMMITTEE

The Communications and Outreach Committee assists the Board with respect to WDBA's communications strategies and stakeholder relations efforts.

Judi Cohen Chair	André Juneau Member	Karla Avis-Birch Member	Tim Murphy Ex Officio
---------------------	------------------------	----------------------------	--------------------------

## GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The Governance and Human Resources Committee is responsible to develop effective corporate governance practices and to advise WDBA on a range of human resources issues to ensure that appropriate strategies and plans are in place for the attraction, retention and succession of employees. The committee also will periodically review the corporation's compensation structure and philosophy and human resource policies.

Shelly Cunningham Chair	Marie Campagna Member	Rish Malhotra Member	Tim Murphy Ex Officio
----------------------------	--------------------------	-------------------------	--------------------------

## ISSUES RESOLUTION COMMITTEE

The primary purpose of the Issues Resolution Committee is to assist the Board in providing direction and oversight to contract management. This new Committee of the Board did not meet in fiscal year 2021-2022.

Mike Mueller Chair	Karla Avis-Birch Member	Shelly Cunningham Member	André Juneau Member	Tim Murphy Ex Officio
-----------------------	----------------------------	-----------------------------	------------------------	--------------------------

## OPERATIONAL READINESS COMMITTEE

The Operational Readiness Committee assists, advises and makes recommendations to the Board on matters concerning the future operations of the Gordie Howe International Bridge. This new Committee of the Board did not meet in fiscal year 2021-2022.

André Juneau Chair	Karla Avis-Birch Member	Judi Cohen Member	Rish Malhotra Member	Tim Murphy Ex Officio
-----------------------	----------------------------	----------------------	-------------------------	--------------------------

# EXECUTIVE LEADERSHIP

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

Bryce Phillips — CEO  
 Heather Grondin — Vice President, Corporate Affairs and External Relations  
 Grant Hilbers — Vice President, Engineering  
 Vicky Tuquero — General Counsel  
 Kevin Wilkinson — Interim Chief Financial Officer



# WDBA DEPARTMENTS

## OFFICE OF THE CEO

The CEO's office fosters alignment and coordination of all of WDBA's corporate and project activities to ensure the organization is achieving its mandate. The CEO's office provides WDBA's direct connection to the Board of Directors, the office of the Minister responsible for our Crown corporation, to the International Authority and to our project partners, guiding these critical relationships.

## CORPORATE AFFAIRS AND EXTERNAL RELATIONS

This department is comprised of Communications, Stakeholder Relations, Community Relations and Community Benefits, Policy, Government Relations, Marketing and Sales, Access to Information and Privacy and Operational Readiness. The team collects and analyzes project and corporate information and disseminates it in credible and compelling ways. They keep staff, the public and media informed, talk with targeted groups and individuals, apprise and report to the shareholder, maintain transparency, manage external issues and support other WDBA departments with their engagement, relationship management and operations planning needs.

## ENGINEERING

This team is responsible for the oversight of the design and construction of the project, working with project partners to review and approve designs for compliance with the Project Agreement and technical requirements. Many disciplines are engaged in this department, including: civil and bridge engineering, architecture, building engineering (structural, electrical, mechanical), systems engineering (security and tolling), environmental compliance, utilities, and permitting. Further, the engineering team has specific accountabilities to ensure project and corporate health and safety, project and corporate security/cybersecurity, project quality management, risk management, efficient project governance and reporting and continual performance.

## GENERAL COUNSEL

This department strives to provide service excellence in the areas of Canadian and US legal matters, US property acquisition, commercial matters, insurance, corporate business solutions and human resources. It ensures compliance with audit and regulatory requirements by working with WDBA's Board of Directors, CEO and executive leadership team as well as the International Authority. It provides the tools to enable staff to work effectively and efficiently and supports staff through talent management, recruitment, compensation, and employee benefits.

## FINANCE

This department provides leadership and support to the functions of Finance and Information Technology. It provides stewardship of corporate technology assets, financial management and reporting within WDBA, and financial reporting to the Government of Canada.

# GENDER-BASED ANALYSIS PLUS

WDBA recognizes the importance of Gender-based Analysis Plus (GBA+) and is implementing strategies to grow a diverse workforce.

WDBA has provided GBA+ training to its executive team and internal committees supporting the application of a diversity and inclusion lens when developing its policies and programs. It has also provided diversity, inclusion and unconscious bias training to all staff. WDBA has surveyed its workforce and, based on the results, will continue to develop the necessary actions to support a diverse and inclusive workforce.

In terms of representation, there continues to be a visible and equitable representation of women within WDBA's Board and staff.

# DIVERSITY, EQUITY AND INCLUSION

WDBA is committed to making our organization a place where diversity is embraced in an inclusive and accessible culture, so that all employees feel a sense of belonging.

WDBA demonstrated this commitment over fiscal year 2021-2022 by engaging an external advisor to undertake an assessment of our diversity, equity and inclusion (DE&I) processes.

### Diversity, Equity and Inclusion Process Review

- ▶ 233 documents
- ▶ 84 completed surveys
- ▶ 9 focus groups with executives and staff

Following extensive consultation with WDBA staff, a series of recommendations were made on how we can improve our formal and informal structures, talent infrastructure, people enablement, data analytics and reporting and representation on leadership levels. Over the next fiscal year, WDBA will establish an action plan that will allow for the continued development of a safe, inclusive and respectful work environment and corporate culture. where employees of every race, background, orientation and belief feel a sense of belonging.

## WDBA'S DIVERSE WORKFORCE

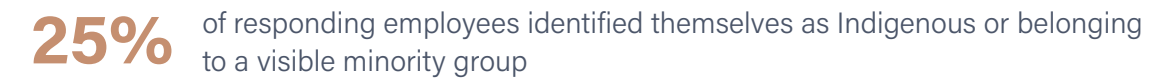
### FEMALE WORKFORCE



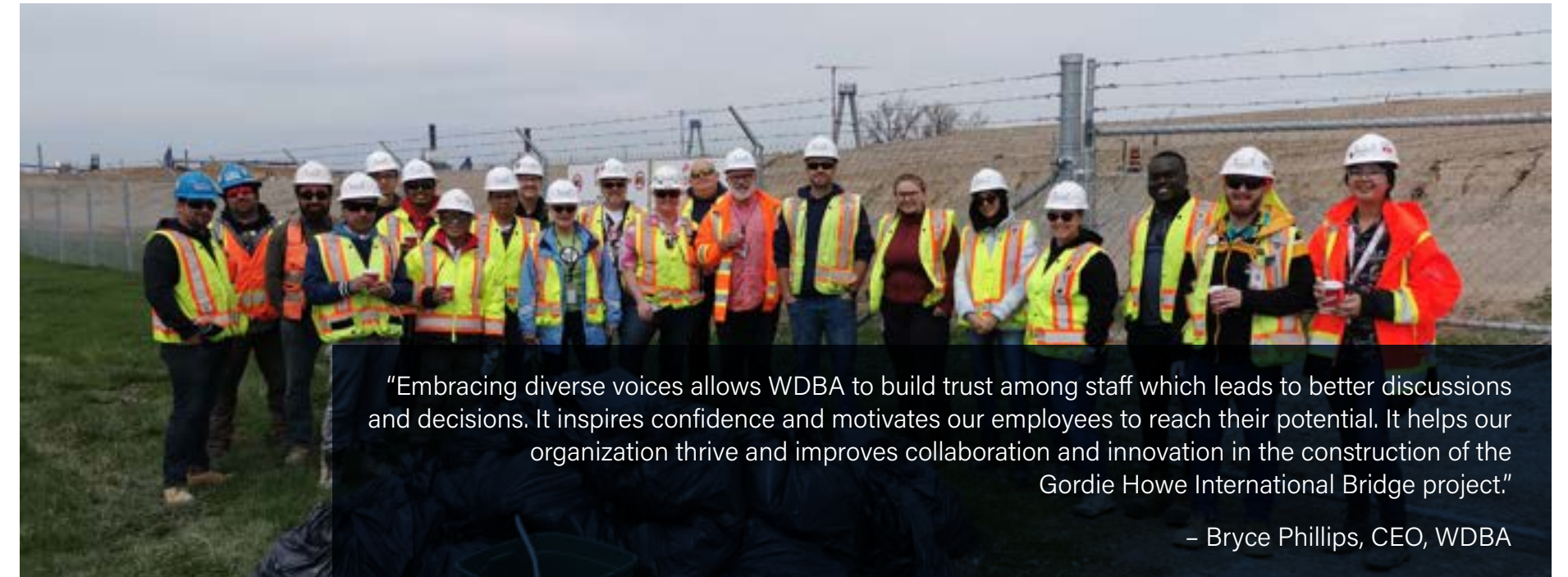
### FEMALE LEADERSHIP TEAM (DIRECTORS AND ABOVE)



### SELF IDENTIFICATION



Our corporation includes staff who identify as Indigenous, African American and Canadian, Latino and Middle Eastern.



"Embracing diverse voices allows WDBA to build trust among staff which leads to better discussions and decisions. It inspires confidence and motivates our employees to reach their potential. It helps our organization thrive and improves collaboration and innovation in the construction of the Gordie Howe International Bridge project."

- Bryce Phillips, CEO, WDBA

# STRATEGIC OBJECTIVES

PAGES 17-19



## RESULTS ACHIEVED

For fiscal year 2021-2022, WDBA's strategic objectives included:

- ▶ Continuing to deliver on WDBA's mandate through sound corporate governance
- ▶ Working with BNA towards successful implementation of the Gordie Howe International Bridge project
- ▶ Continuing shareholder and stakeholder engagement to maintain support
- ▶ Implementation of the plan to support transition to operations
- ▶ Ensuring an efficient first-full-year of operations of the Gordie Howe International Bridge.

The sections below outline WDBA's progress on its strategic objectives throughout fiscal year 2021-2022. Specific achievements are highlighted on the following pages.

### CONTINUING TO DELIVER ON WDBA'S MANDATE THROUGH SOUND CORPORATE GOVERNANCE

WDBA successfully achieved this objective through facilitating the design and construction of the project components, supporting site preparations and continued organizational development.

In 2021-2022, substantial progress was made on the design and construction of the Gordie Howe International Bridge project, with the continued construction of the bridge towers being the most significant aspect of construction.

At the Canadian Port of Entry (POE), concrete, steel and masonry work advanced on various buildings while at the US POE earthworks continued and foundation work started at the main building.

At the Michigan Interchange, two of three road bridges that had been closed for reconstruction, opened to traffic.

With the last outstanding parcel for the US POE coming into MDOT's possession and all US property acquisitions complete in the previous fiscal year, WDBA continued to be directly engaged in the management of PCB (polychlorinated biphenyl) contamination on US POE lands.

WDBA continued our organizational development with a focus over the fiscal year on attracting and retaining top talent, especially during COVID-19.

*See the Construction Progress section of the report starting on [page 23](#) and Diversity, Equity and Inclusion section of the report on [page 14](#) for more information on how WDBA achieved this strategic objective.*

## WORKING WITH BRIDGING NORTH AMERICA TOWARDS SUCCESSFUL IMPLEMENTATION OF THE GORDIE HOWE INTERNATIONAL BRIDGE PROJECT

WDBA successfully achieved this strategic objective by aligning organizational behaviour between WDBA and BNA and across WDBA's departments and executing oversight plans.

WDBA continued its active oversight of the project and worked with BNA to achieve Project Agreement requirements. During fiscal year 2021-2022, WDBA reviewed its project governance framework and updated it to better support the changing needs of the project and project partners. It also incorporated Infrastructure Canada into additional meetings to provide increased transparency and greater understanding of decisions. Additionally, WDBA's Owner's Engineer (Parsons), in support of WDBA's oversight function, performed 31 audits of BNA's Quality Control/Quality Assurance to ensure Project Agreement requirements were met.

*See the Sustainability section of this report starting on [page 35](#) and the Health and Safety section of this report starting on [page 41](#) for more information on how WDBA and BNA have worked together to successfully implement these important features of the project and achieved this strategic objective.*

## CONTINUING SHAREHOLDER AND STAKEHOLDER ENGAGEMENT TO MAINTAIN SUPPORT

WDBA successfully achieved this strategic objective by continuing to engage in consistent communications and outreach activities with a focus on maintaining transparency, managing expectations and building trust.

In fiscal year 2021-2022, WDBA continued to:

- ▶ maintain regular engagement with its portfolio department, Infrastructure Canada, and the Government of Canada
- ▶ deliver a successful stakeholder engagement and communications strategy and built upon its strong reputation as a reliable and trusted community member
- ▶ regularly engage with Walpole Island First Nation and Caldwell First Nation to, among other things, advance a strategy on workforce training and pre-apprenticeships/apprenticeships
- ▶ provide stringent oversight of the Community Benefits Plan
- ▶ work in close coordination with the State of Michigan on key topics related to state infrastructure and the Delray/Southwest Detroit community.

*See the Community Benefits Plan section of this report starting on [page 30](#) and the Engagement section of this report on [page 29](#) for more information on how WDBA achieved this strategic objective.*

## IMPLEMENTATION OF THE PLAN TO SUPPORT TRANSITION TO OPERATIONS

WDBA successfully achieved this strategic objective by beginning to implement the Operational Readiness Workplan that was completed during the previous fiscal year.

Over fiscal year 2021-2022, WDBA implemented the activities contained within the Operational Readiness Plan and established topic-specific, cross-functional task forces. WDBA also re-engaged an external advisor to perform an assessment and schedule validation of the Operational Readiness Plan which lists all the actions that need to be completed to be prepared for day one of the operations phase of the project. The advisor also undertook a resource capacity assessment that support WDBA's resource requirements planning.

*See the Preparing for the Future section of this report on [page 45](#) for more information on how WDBA achieved this strategic objective.*

## ENSURING AN EFFICIENT FIRST-FULL-YEAR OF OPERATIONS OF THE GORDIE HOWE INTERNATIONAL BRIDGE

As WDBA established their strategic objectives with a five-year planning cycle, this last objective will not be achieved until the first full year of operations once the Gordie Howe International Bridge opens to traffic.



A rendering of the connection from the US Port of Entry to the Michigan Interchange.

# PROJECT OVERVIEW

PAGE 21



The Gordie Howe International Bridge project is a once-in-a-generation undertaking. Not only will the project deliver much-needed transportation improvements for international travellers, it will also provide jobs and opportunities for growth to the Windsor-Detroit region and includes features that make this project truly distinctive.

The project is being delivered through a public-private partnership (P3). A P3 is a long-term performance-based approach to procuring public infrastructure where the private sector assumes a major share of the risks in terms of financing and construction and ensuring effective performance of the infrastructure, from design and planning, to long-term maintenance. There are four project components: the bridge, Canadian POE, US POE and Michigan Interchange.



A rendering of the Canadian Port of Entry from the toll booths to the bridge.

# CONSTRUCTION PROGRESS

PAGES 23-27



Construction continued concurrently on all four components of the Gordie Howe International Bridge project through 2021-2022.



Bridge



Canadian POE



US POE



Michigan Interchange

# GORDIE HOWE INTERNATIONAL BRIDGE

Over fiscal year 2021-2022, work was completed on the tower legs, the most visible sign of project progress. The towers in both Canada and the United States were built up to 136 metres/446 feet in 2021-2022. Also known as the lower pylon, the legs make up the longest portion of the bridge towers.

The completion of the tower legs is significant. It allowed for work to begin in the transition area to construct the upper cross beam that will merge the tower legs into a single structure.

Work also progressed on building up the side and back span piers for the bridge. There are twelve pier columns in total – six in each country. Once complete, the piers will range in height from 15.6 metres/51.1 feet to 26.6 metres/87.3 feet.



- ▶ The towers for the Gordie Howe International Bridge are being built on land with no piers in the water.
- ▶ Each bridge tower is made of cast-in-place reinforced concrete through 29 different 'lifts' or tower leg segments.
- ▶ Once complete, the towers will stand at 220 metres/722 feet on each side of the Detroit River.
- ▶ The bridge will have the longest main span of any cable-stayed bridge in North America at 853 metres/0.53 miles.
- ▶ It will feature six lanes for vehicular traffic and a dedicated multi-use path to accommodate pedestrians and cyclists.
- ▶ One approach bridge on each side of the crossing will connect to the Ports of Entry in Canada and the US.

# CANADIAN PORT OF ENTRY

Construction activities in 2021-2022 at the Canadian POE focused on the construction of six buildings and structures.

Work progressed on the 3,569 square metre/38,416 square foot maintenance building with structural steel erection as well as interior fit-ups, masonry installation and mechanical, electrical and plumbing works.

Construction of the 12,914 square metre/139,000 square foot main building began in April 2021. It is the largest and most prominent structure on the POE site. Crews completed foundation work and turned their attention to structural steel erection and detailing in addition to underground utility works.

Foundation work was completed for the secondary inspection building, which will be 510 square metres/5,495 square feet in size. Work also progressed on structural steel erection and underground utilities.

Foundation work was also completed for the 750 square metre/8180 square foot client processing building. Waterproofing, insulation and backfilling work progressed.

This past fiscal year also marked the start of construction on the toll services building with foundation formwork and concrete activities. Once complete, the building will be 472 square metres/5080 square feet in size.



- ▶ The total size will be 53 hectares/130 acres.
- ▶ The total landscaped area will be 10 hectares/24 acres.
- ▶ There will be 11 structures, including six buildings.
- ▶ The total building space will be 12,438 square metres/133,881 square feet.

Work also began on the foundation formwork for the primary inspection lanes, booths and canopy. There will be 12 booths for passenger vehicles and buses and 12 inspection booths for commercial vehicles, with rough-ins for five additional commercial booths for future expansion.

# US PORT OF ENTRY

Construction at the US POE progressed in 2021-2022 with ground preparation and the start of construction of three different buildings.

Foundation work was completed for the main and commercial buildings, which will be 18,142 square metres/195,283 square feet in size, making them the largest buildings on the US POE. Work progressed on structural steel erection and underground utilities.

Construction also began in early 2022 on the 1,377 square metre/14,831 square foot outbound building. Foundation work was completed to allow for workers to begin structural steel erection.

Crews completed the installation of 171,647 wick drains to create a solid base to expedite the construction of facilities. Wick drains dramatically reduce settlement time from years to a matter of months and allow construction to proceed on schedule.

Excavation and engineered fill placement continued in other areas of the POE to prepare for new building construction.



- ▶ The total size will be 68 hectares/167 acres.
- ▶ The total landscaped area will be 12 hectares/30 acres.
- ▶ There will be 13 structures, including six buildings.
- ▶ The total building space will be 30,318 square metres/326,335 square feet.

# MICHIGAN INTERCHANGE

Work over fiscal year 2021-2022 on the Michigan Interchange progressed from the removal of existing structures to the re-opening of new bridges.

The Livernois and Springwells road bridges opened to the public as work advanced to the next phase of demolition with the removal of the Waterman Street, Dragoon Street and Green Street bridges. The Clark Street bridge was closed for construction activity.

Work also began on the new connecting ramps from I-75 to the US POE. The activities included pile driving, concrete footing and pier construction. The first phase of the work focused on the north side of the ramps and will move south towards the POE over the next few years.



- ▶ The Michigan Interchange project will cover approximately three kilometres/1.8 miles of I-75 between Springwells Street and Clark Street.
- ▶ Over a dozen roadway and pedestrian bridges crossing I-75 will need to be constructed as part of the project.
- ▶ The length of the road and bridge projects as part of the Michigan Interchange will range in length from 30 metres/98 feet to 518 metres/1,700 feet.

# ENGAGEMENT AND COMMUNITY BENEFITS

PAGES 29-33



## ENGAGEMENT

Our community offices in Sandwich and Southwest Detroit provide venues for the project team and community members to stay connected. While our community offices remained closed during this fiscal year due to the pandemic, the project team remained connected to the public through the toll-free number, email and direct messages on social media. Quarterly newsletters, construction notices, quarterly community meetings and other meetings on a variety of topics are just a few ways the project team kept nearby residents and businesses informed of upcoming work and gathered feedback.

**3000+**  
STAKEHOLDERS  
ENGAGED

**125+**  
VIRTUAL OUTREACH  
EVENTS

**37**  
PRESENTATIONS

**5**  
CONSULTATION  
TOPICS

**646**  
INQUIRIES  
ADDRESSED

**30**  
EBLASTS SENT



# COMMUNITY BENEFITS

The Gordie Howe International Bridge Community Benefits Plan is enhancing the quality of life for residents in Sandwich/west Windsor and Delray/Southwest Detroit. The project team has partnered with numerous community organizations to provide programming that helps local businesses and entrepreneurs grow their ideas, create a sense of belonging for young people and enhance infrastructure within city parks. These examples of projects all stem from the robust consultation that was undertaken to ensure the Community Benefits Plan reflects community priorities on both sides of the border.

# NEIGHBOURHOOD INFRASTRUCTURE STRATEGY

The Neighbourhood Infrastructure Strategy includes \$20 million (CDN) in direct community investments for Sandwich/west Windsor and Delray/Southwest Detroit.



## Ujima Program, United Way Centraide Windsor-Essex County

The first installment of a four-year funding commitment supported the new Ujima program, which provides cultural support and programs for Black youth. Designed from feedback from Black students and caregivers in the United Way's On Track to Success program, Ujima programming includes community mentoring, mental wellness support, cultural exploration and social events.



## McKee Park Improvements, City of Windsor

The City of Windsor accepted a one-time investment to support a new gazebo and boardwalk improvements at McKee Park. Construction began in spring 2022 and the park will be ready to welcome local residents and visitors later in summer.



## Bridge to Prosperity Program, Southwest Detroit Business Association

In its second year of funding, Southwest Detroit Business Association (SDBA) continued to offer coaching and technical support to local entrepreneurs and businesses through its Bridge to Prosperity program. With an intention to connect entrepreneurs of colour and immigrant business owners with access to financial and technical assistance, the program continued in a virtual format during the pandemic.



**\$490,000+ (CDN)**

of Community Benefits funding released to support the delivery of initiatives in Sandwich/west Windsor and Delray/Southwest Detroit



**32**

applications received through the 2021 Community Organization Investment initiative and 8 projects were selected for funding

# 2021 COMMUNITY ORGANIZATION INVESTMENTS

The Neighbourhood Infrastructure Strategy of the Community Benefits Plan includes a commitment to provide a \$100,000 (CDN) annual investment allowance for community organizations located in or serving Sandwich/west Windsor or Delray/Southwest Detroit residents for a five-year duration from 2020-2024.

Through the Community Organization Investment initiative, eligible organizations can submit applications for funding ranging from \$1,000 to \$25,000 (CDN) for events, programming and infrastructure improvements.

## First Latin American Baptist Church of Detroit - Community Recreation Service Center

A \$25,000 (CDN) grant provided renovations to the community recreation center, which will become a place for the local community to gather for programming and fellowship.



## Clark Park Coalition - Southwest Detroit Winter Carnival 2022 at Clark Park

In 2021, Clark Park Coalition received \$3,000 (CDN) for this year's Winter Carnival in Clark Park. This free event attracted about 2,000 people for winter fun and games.

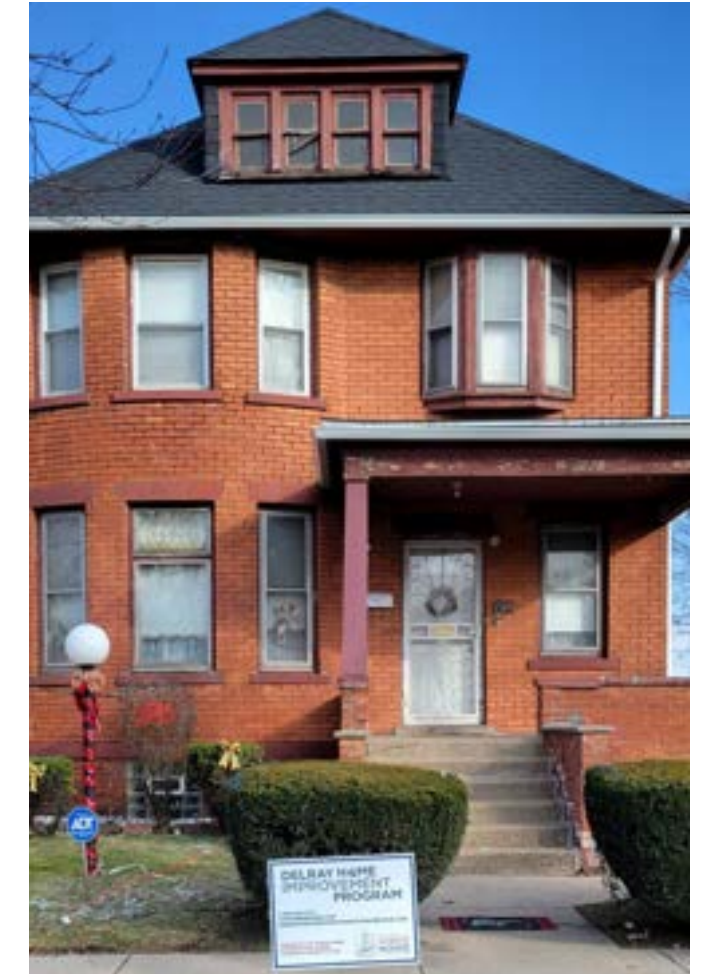


## Border City Athletics Club - Women Can/Girls Can Summit Series

The Girls Can Summit Series provided an opportunity for more than 70 BIPOC girls to be physically active and meet Olympians.



*A full list of the 2021 Community Organization Investments is available at [gordiehoweinternationalbridge.com](http://gordiehoweinternationalbridge.com). These grants are available for use from July 1, 2021-June 30, 2022.*



## DELRAY HOME IMPROVEMENT PROGRAM

The first full year of the Delray Home Improvement Program brought many lessons learned and a roster of homes working their way through the repair process. This free program provides roof, window and HVAC repairs to homes located near the US POE. The project team will expand the program's service area westward in its second year.

# WORKFORCE DEVELOPMENT AND PARTICIPATION STRATEGY

The Workforce Development and Participation Strategy is geared toward engaging businesses and providing employment opportunities in the Windsor-Detroit region and focuses on supporting workforce, training and pre-apprenticeship/ apprenticeship opportunities.

## WORKFORCE PARTNERSHIPS

### Women's Enterprise Skills Training of Windsor Inc.

BNA partnered with Women's Enterprise Skills Training of Windsor Inc. (WEST), offering tours and information sessions to programs from WEST. BNA hired three women from WEST's Introduction to Construction and Craft Trades for Women program.

### Focus: HOPE

BNA partnered with the Detroit-based non-profit organization, Focus: HOPE, to provide support for job training and skills development initiatives for local job seekers. BNA is sponsoring graduates of the five-week training program into a carpenter apprenticeship or provide employment opportunities for qualified candidates. The first class of 12 completed the program in January 2022.



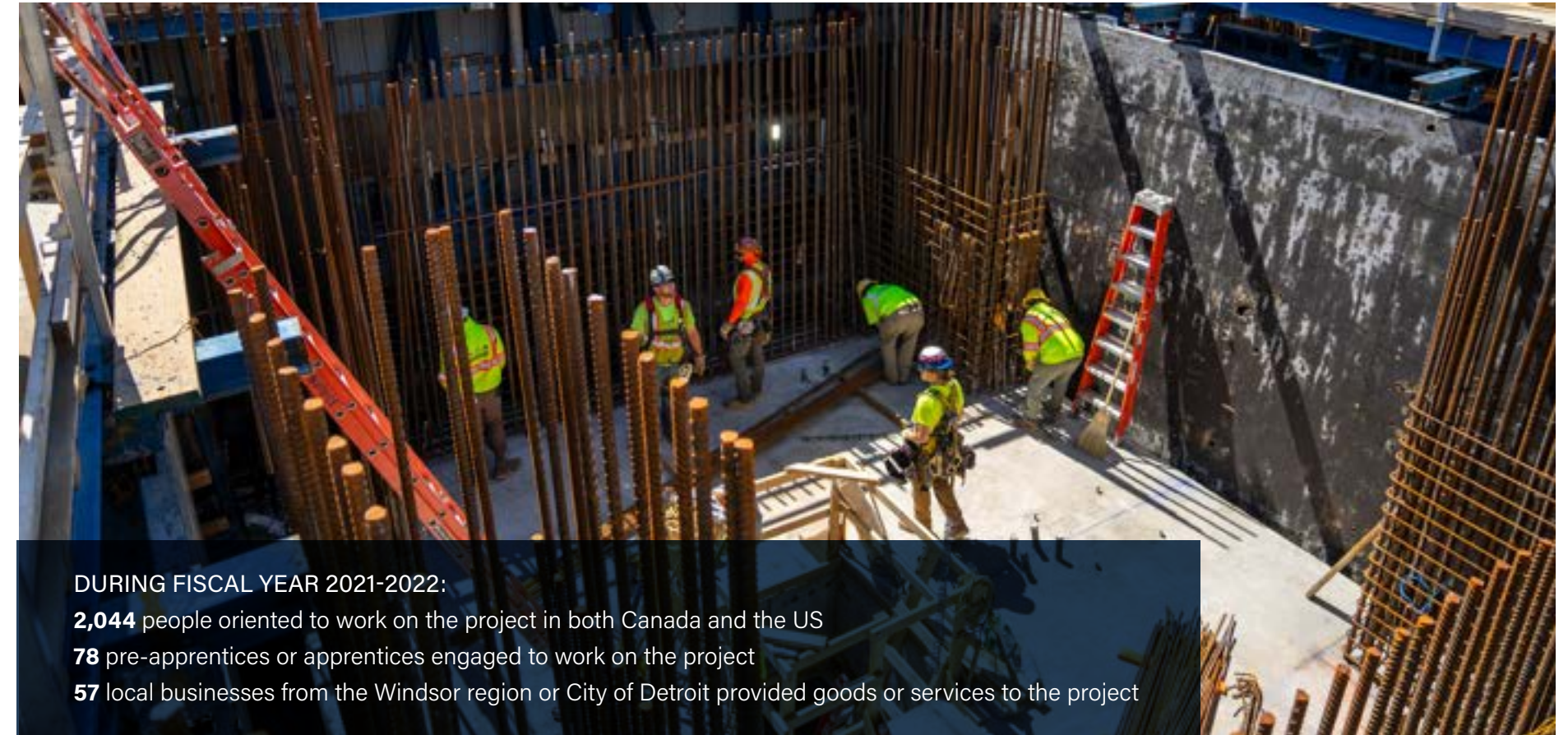
## EDUCATIONAL OUTREACH

### Windsor Essex Catholic District School Board Construction Academy

In December 2021, the Gordie Howe International Bridge team presented to more than 700 high school students from the Windsor Essex Catholic District School Board Construction Academy. Students heard first-hand what it's like working on a once-in-a-generation project from a site superintendent, crane operator, electrician, and mason. Over 33 classes participated in the presentation.

### Randolph Career and Technical Center

The project team has forged strong ties with Randolph Career and Technical Center of the Detroit Public Schools Community District, regularly participating in career fairs, construction trades events and mock interview days to help prepare students for the real world.



### DURING FISCAL YEAR 2021-2022:

**2,044** people oriented to work on the project in both Canada and the US

**78** pre-apprentices or apprentices engaged to work on the project

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

# SUSTAINABILITY

PAGES 35-39



One of Canada's National Sustainable Strategy goals is Modern and Resilient Infrastructure. There is an overarching sustainable approach to the design, construction, and operation of the Gordie Howe International Bridge project to actively supporting vibrant communities and optimizing environmental impacts in a socially responsible manner.

The Canadian and US POEs facilities are designed to meet LEED v4 Silver rating. For both the bridge and surrounding roadways, in December 2021, WDBA and BNA received the prestigious Envision™ Platinum Award. This certification is the highest possible distinction from the Institute for Sustainable Infrastructure (ISI) which recognizes efforts to achieve sustainable development and environmental performance standards at every stage of an infrastructure project, from design to construction and implementation. Both the LEED and Envision certifications will ensure longevity while minimizing environmental impact.

In 2021, WDBA established a Sustainability Management Committee to monitor sustainability goals that are integral to the Project Agreement and implementing mandatory and/or voluntary climate change programs. WDBA believes that our stewardship requires a shared commitment to the principles of sustainable development, delivery of social benefit, and environmental protection and enhancement all of which is critical to be accepted as a good corporate citizen.

WDBA, MDOT and BNA are committed to protecting the environment both on and adjacent to the Gordie Howe International Bridge site. A diverse approach is being implemented to limit any potential adverse effects on the natural environment, cultural resources, and neighbouring residents and businesses. Through daily inspections, several integrated environmental components are regularly assessed to determine the effectiveness of current actions and guide future improvements. On the Canadian and US project sites, a number of environmental impact categories have been identified for monitoring and mitigation throughout the life of the Project. This work is in accordance with commitments in the approved Environmental Assessment Report and Federal Screening Report in Canada and the Final Environmental Impact Statement and Record of Decision in the US.



A rendering of the landscaping at the US Port of Entry.

Highlights from 2021-2022 activities include:

**CANADA:**

- ▶ Bird nesting mitigation measures implemented throughout the Canadian site using a variety of methods such as falconry and dog patrols.
- ▶ The design of permanent Species at Risk fencing was finalized, and installation of the fence was complete at the end of 2021.
- ▶ Invasive species mapping was conducted. Herbicide application was conducted to control invasive species on the POE lands.
- ▶ Regular air quality monitoring and vegetation maintenance continued.

**US:**

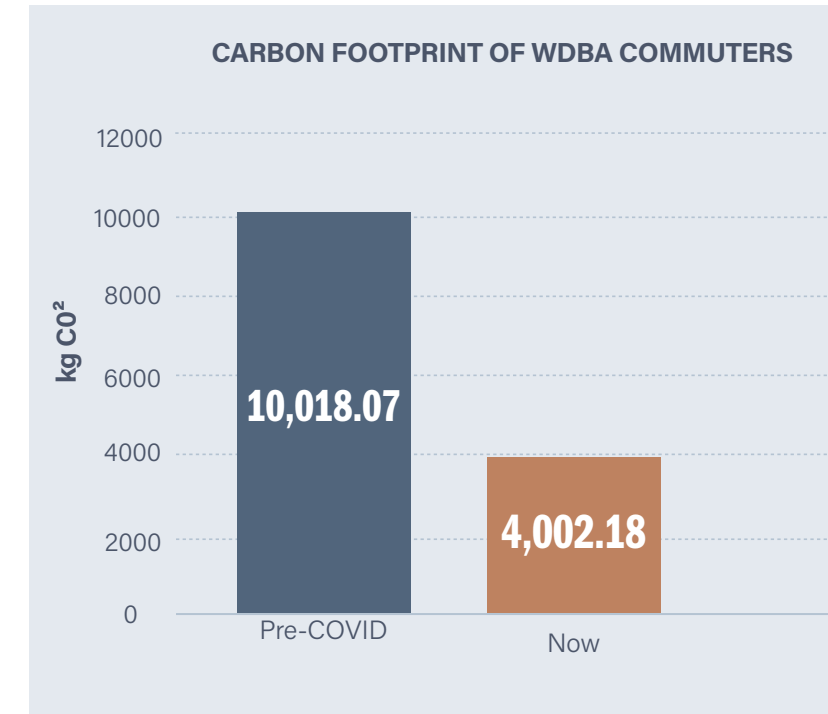
- ▶ Regular inspections of water quality and soil, erosion and sediment control measures were conducted throughout the active construction areas in coordination with MDOT.
- ▶ Ongoing sampling of excavated materials continued with materials re-used throughout the site for surcharge fill placement to expedite soil consolidation.
- ▶ Regular air quality monitoring and vegetation maintenance continued.



A rendering of the landscape and inspection lanes at the US Port of Entry.

**CARBON FOOTPRINT**

WDBA recognizes the impact our operations has on the environment. Since switching to a hybrid work environment, we have reduced our overall carbon footprint by 40 per cent as it relates to our employees' commutes to work.



*\*calculation based on survey of employees with 54 respondents*



A rendering of the multi-use path at the US Port of Entry.



"The Gordie Howe International Bridge project team recognizes the importance of creating jobs and stimulating the economy while contributing to clean growth. We believe in the importance of protecting communities from the impacts of climate change, preserving healthy ecosystems, building safe sustainable communities and conserving resources for future generations."

- Grant Hilbers, WDBA's Vice President of Engineering



"This project is a symbol of international cooperation between two great countries. It provides proof that when we work together collaboratively and learn from each other, we can achieve outcomes that benefit people, the planet, and improve economic prosperity. The degree to which sustainability has been baked into the design and decision-making processes of this project is impressive. The team deserves to be commended for leadership in sustainability."

- Melissa Peneycad, ISI Managing Director

# HEALTH AND SAFETY

PAGES 41-43



## SAFEGUARDING OUR PEOPLE

The health and safety of our team has always been and continues to be of primary importance.

That is why WDBA and BNA work collaboratively to create a safe work environment.

Over the past fiscal year, BNA and their subcontractors celebrated four million hours of work without a Lost Time Injury (LTI). It is an important safety indicator for any construction project. This is in addition to the safety precautions put in place to protect against the spread of COVID-19 as part of a robust health and safety regime and ensures workers are safe on the job site.

In recognition of our safety culture, the Infrastructure Health and Safety Association (IHSA) honoured the WDBA-BNA Joint Health and Safety Committee with its John M. Beck Award. This award recognizes the contributions a project-based Joint Health and Safety Committee (JHSC) in the Ontario construction industry has made to health and safety in the previous year. The judging committee highlighted the extraordinary leadership, initiative, creativity, and innovation in developing policy, procedures, tools, or communications for protecting the health and safety of workers on the construction site.



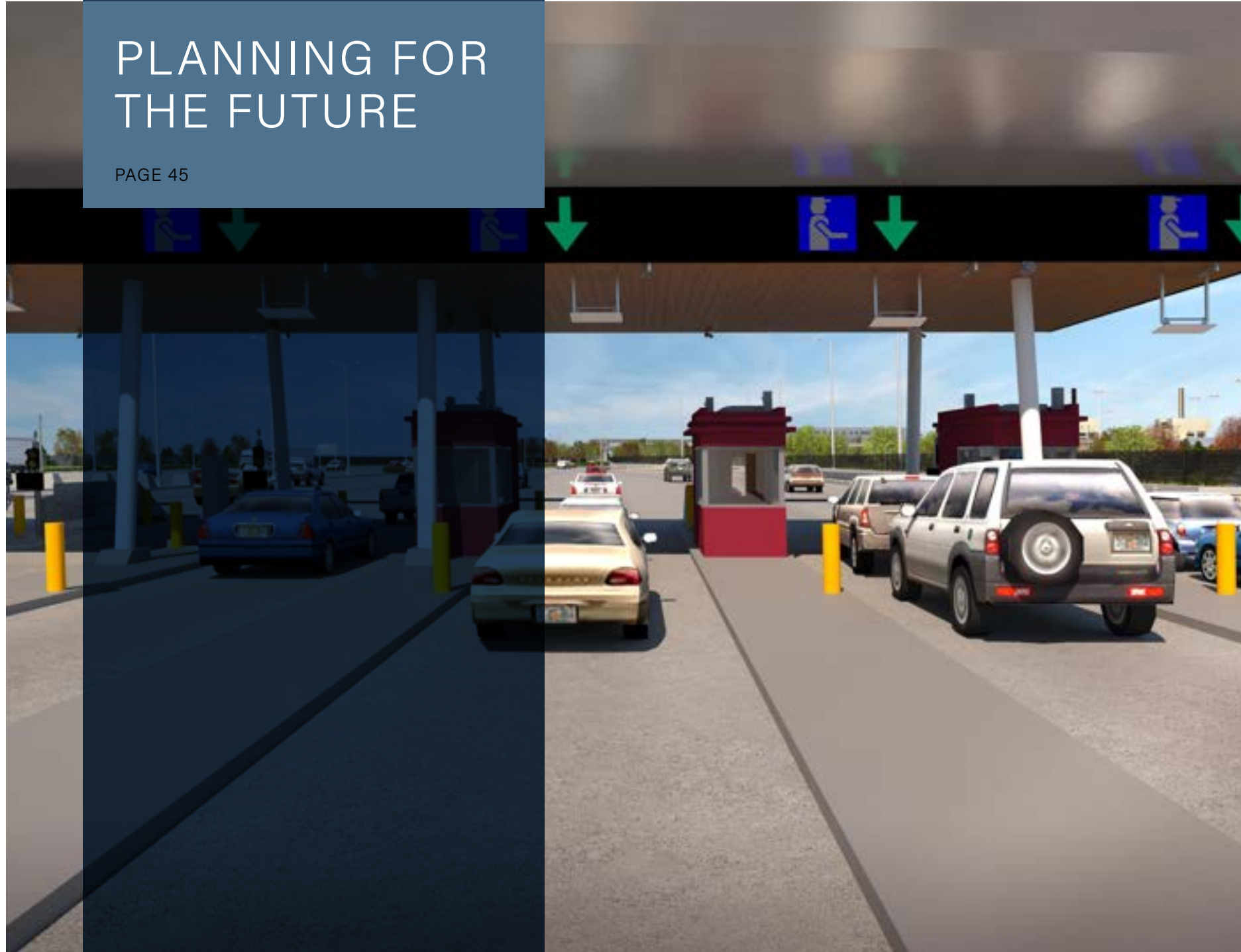
"The staff working on the Gordie Howe International Bridge project are our greatest asset. The joint health and safety teams for Windsor-Detroit Bridge Authority and Bridging North America should be commended for their efforts and dedication to ensure all employees remain safe on the job and can return home to their families at the end of each workday."

- Bryce Phillips, CEO, WDBA



# PLANNING FOR THE FUTURE

PAGE 45



WDBA is actively planning for opening day of the Gordie Howe International Bridge and beyond. A key area of focus is tolling. Working with BNA and our technical advisors, WDBA is exploring how we can take a customer-first approach to our tolling infrastructure leading to the efficient and effective movement of people and goods through the busiest commercial land border crossing between Canada and the US.

Over the fiscal year, we looked at the performance functionality of our tolling system and determined the types of payment mechanisms that will be accepted at the 16 toll booths, assessed the use of transponders in the electronic toll collection lane and detailed business rules associated with transponder accounts. We also explored interoperability with other tolling agencies. This work will continue into the next fiscal year.

The Gordie Howe International Bridge project provides an opportunity to chart a new course that can support the economic future of Windsor-Essex and Detroit. By looking forward and exploring new avenues, the region will be able to derive maximum economic benefit from this investment and can reap benefits for many years to come. Over the fiscal year, WDBA worked to foster a culture of entrepreneurship and innovation within the region while encouraging business investment across key sectors. This work will continue over the coming years as we work toward the bridge opening. Business owners and entrepreneurs are encouraged to start exploring creative ways to leverage the Gordie Howe International Bridge project for the economic benefit of the Windsor-Essex region and beyond.



A rendering of the toll booths at the Canadian Port of Entry.

# AWARDS

PAGES 47-49



## AN AWARD-WINNING PROJECT

The Gordie Howe International Bridge project team was honoured to receive ten distinctive recognitions during fiscal year 2021-2022. The awards highlight the hard work of WDBA and BNA staff who are dedicated to the highest standards in the delivery of this once-in-a-generation project.

### ENVIRONMENTAL EXCELLENCE AWARD

The US-based National Association of Environmental Professionals (NAEP) acknowledged the project's Post-NEPA Environmental Compliance and Management Program with its Environmental Excellence Award for Best Available or Innovative Technology. The award highlights WDBA's work with BNA and Michigan Department of Transportation (MDOT) to continually assess a broad range of environmental impacts and to implement corresponding measures to avoid, minimize and mitigate those impacts.



### CANBIM INNOVATION SPOTLIGHT AWARDS

At the 2021 CanBIM Innovation Spotlight Awards, AECOM, as the design lead in Bridging North America's Design-Build team, was recognized with an unprecedented three awards for their work on the Gordie Howe International Bridge project. The list of accolades includes the Design & Engineering Award, the Global Envoy Award and the Best in Innovation honour.



### 2021 CO-OP/INTERNSHIP EMPLOYER OF THE YEAR

The University of Windsor recognized WDBA with the 2021 Co-op/Internship Employer of the Year award. It is the fourth consecutive year that WDBA has been recognized with the award, which honours organizations who have created exceptional work term experiences.

### JOURNEY TOWARDS SUCCESS

Women's Enterprise Skills Training (WEST) of Windsor awarded BNA with its Journey Towards Success Award. This recognizes the Workforce Development and Participation Strategy in the Community Benefits Plan. The strategy engages businesses and stakeholders by providing workforce, training and pre-apprenticeship/apprenticeship opportunities.





### IABC OVATION AWARD

WDBA was recognized by the International Association of Business Communicators (IABC) Toronto with an Ovation Award of Merit in the category of COVID-19 Response & Recovery Management and Communications. This was the first year IABC included an award for this category, acknowledging the integral role communications plays in keeping people informed, safe and connected during the pandemic.

### IABC VIRTUOSO AWARD

WDBA received a Virtuoso Award of Merit from the International Association of Business Communicators (IABC) London, in the category of COVID-19 Response & Recovery Management and Communications.

The IABC adjudication committee acknowledged WDBA's efforts to understand the needs of key audiences, the use of clear and consistent messages and the outstanding use of research and analysis to inform the direction and tactics of WDBA's activities. They also commented on the management of technology challenges while maintaining a commitment to transparency and public engagement.



"It is quite simply an outstanding achievement to be recognized with ten awards. It is proof that when we work together collaboratively, we can achieve remarkable outcomes. I congratulate our staff and our partners for their dedication and hard work. These accomplishments add credibility when we say the award-winning Gordie Howe International Bridge project."

– Bryce Phillips, CEO, WDBA

Photo: Bryce Phillips, CEO, WDBA and Michael Hatchell, CEO, BNA

# FINANCIAL RESULTS

PAGES 51-93



## 2021-2022 FINANCIAL RESULTS

### OVERVIEW

Fiscal Year 2021-2022 was the eighth year of operations for WDBA, and the fourth year of construction for the Gordie Howe International Bridge Project. BNA has continued with construction and site preparation, remaining design work on the components of the project, and the procurement of materials and services.

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

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

During Fiscal Year 2021-2022, WDBA also continued advancing the following objectives, activities and expected results:

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

# STATEMENT OF OPERATIONS

## REVENUE

WDBA's revenue of \$3.5 million (2021: \$1.5 million) is substantially from revenue from operations of \$3.2 million (2021: \$0.2 million) and interest earned on cash balances of \$0.3 million (2021: \$0.6 million).

## EXPENSES

WDBA incurred \$148.0 million (2021: \$134.8 million) of direct expenses in support of the project. Direct expenses increased compared to the prior year driven primarily by work on the I-75 Interchange and related roadwork, legal services to support construction, and amortization of the Perimeter Access Road (PAR). In the prior year, WDBA recognized an impairment loss of \$4.4 million to write down damaged assets, which was not a factor in the current year's statements.

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 \$15.8 million of internal services costs (2021: \$9.9 million).

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

(thousands of dollars)

	2022	2021
I-75 Costs	<b>107,079</b>	93,384
Payroll and Benefits	<b>15,713</b>	14,911
Amortization	<b>12,269</b>	10,542
Legal Services	<b>7,661</b>	5,172
Foreign Exchange Loss	<b>5,672</b>	-
Insurance	<b>5,034</b>	5,087
Professional Services	<b>4,790</b>	3,786
Local Road Improvements	<b>1,749</b>	2,855
Rent	<b>1,013</b>	1,012
Office and Maintenance	<b>918</b>	886
Impairment Loss	<b>587</b>	4,409
Property Taxes	<b>354</b>	490
Michigan Land	<b>300</b>	1,002
Transfers to International Authority	<b>270</b>	240
Other	<b>116</b>	88
Travel expenses	<b>105</b>	10
Repairs and Maintenance	<b>83</b>	131
Community Benefits	<b>2</b>	692
	<b>163,715</b>	144,697

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

Legal costs of \$7.7 million (2021: \$5.2 million) have increased over the past year as BNA has provided several Notices claiming entitlement to compensation and relief under the Project Agreement.

Amortization is primarily related to the Perimeter Access Road (PAR), a road built around the perimeter of the Canadian POE, and depreciation associated to the Land Lease agreement with Michigan. The PAR will be handed over to the City of Windsor upon completion of construction. The increase in amortization is due to the PAR being in service for the entire year and added costs associated with the Land lease with Michigan.

Impairment losses write-down damaged assets to their net realizable values. WDBA incurred impairment losses to construction in progress of \$0.6 million (2021: \$4.4 million)

## APPROPRIATIONS

To support its activities, WDBA received \$462.0 million (2021: \$463.8 million) in appropriations and ended the year with an operating surplus of \$276.8 million (2021: \$302.5 million); WDBA returned \$25.0 million (2021: \$18.1 million) of unspent appropriations to the government. The surplus results mainly from appropriations used for the acquisition of tangible capital assets; most of the appropriations to date are used to fund WDBA's capital costs.

Appropriations were used to fund BNA's activities, property acquisition activities in Michigan, design, and engineering cost and WDBA operations.

# STATEMENT OF FINANCIAL POSITION

## NET DEBT

As of March 31, 2022, WDBA's net debt was \$832.6 million (2021: \$662.3 million). Financial assets of \$118.1 million (2021: \$165.1 million) were mostly made up of \$115.2 million in cash and restricted cash, and \$2.8 million in accounts receivable (2021: \$133.7 million and \$31.4 million), offset by \$950.7 million in liabilities (2021: \$827.4 million).

As of March 31, 2022, WDBA had \$28.9 million in its operating cash accounts (2021: \$42.3 million), and a restricted cash balance of \$86.3 million in an escrow account (2021: \$91.4 million). The cash is held in a US dollar escrow account to fund US property acquisitions and other Michigan activities. WDBA is required to fund budgeted Michigan activities at the beginning of each quarter in the escrow account.

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

Accounts payable and accrued liabilities of \$85.8 million as of March 31, 2022 (2021: \$57.6 million) included payables and accruals for BNA activities, Michigan activities, engineering consulting services, legal fees, and other consulting services. The increase is primarily due to activities from BNA related to the project.

Accrued employee benefits of \$1.6 million (2021: \$1.5 million) represents accruals for employee bonuses and vacations. WDBA recorded an environmental liability of \$8.9 million as of March 31, 2022 (2021: \$4.5 million) to reflect the anticipated costs of remediating contaminated properties.

Holdback represents an amount temporarily retained by WDBA on the total due to contractors to ensure that the latter fulfill their obligations. The contracts call for WDBA to pay holdbacks upon substantial completion of the respective contracts. The holdback of \$213.7 million (2021: \$143.2 million) consists primarily of the holdback owed to BNA.

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

## NON-FINANCIAL ASSETS

WDBA held \$2,530.8 million of capital assets as of March 31, 2022 (2021: \$2,073.5 million). These consist primarily of capitalized costs related to the Gordie Howe International Bridge project (Construction in Progress), leased property in Michigan, land contributed by Infrastructure Canada, and the perimeter access road related to the Canadian POE.

Construction in Progress (CIP) of \$2,176.5 million (2021: \$1,715.7 million) consists of costs related to the construction of the Bridge, and the Canadian and US POEs. CIP consists of capitalized costs related to BNA's activities (construction, mobilization, design, administration, and financing), utility relocation, professional services such as the Owner's Engineer, and the Early Works on the Canadian lands. The year-over-year increase is due primarily to the activities of BNA and the Owner's Engineer.

The table below provides a breakdown of Construction in Progress:

<b>(thousands of dollars)</b>		
	<b>March 31, 2022</b>	March 31, 2021
Bridge	<b>919,960</b>	706,669
US Port of Entry	<b>659,247</b>	510,344
Canadian Port of Entry	<b>597,269</b>	498,675
	<b>2,176,476</b>	1,715,688

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 the prior year was \$95.8 million; as of March 31, 2021, all the Michigan properties had been transferred to tangible capital assets.

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

Prepaid expenses of \$7.2 million (2021: \$12.0 million) consists primarily of \$7.0 million of prepaid insurance (2021: \$11.7 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, 2022, is \$2,630.7 million (2021: \$2,160.3 million). The aggregate Imputed Cost on accrued as of March 31, 2022, is \$261.2 million (2021: \$182.2 million). These amounts are offset by aggregate Crossing Authority Revenue received of \$181.1 million as of March 31, 2022 (2021: \$149.8 million), for a balance of \$2,710.8 million in Unrecouped Canadian Contributions as of March 31, 2022 (2021: \$2,192.6 million).

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

## STATEMENT OF MANAGEMENT RESPONSIBILITY

### WDBA FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

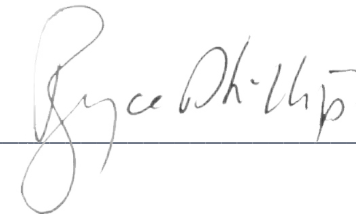
The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and necessarily include some estimates, which are based on management's best judgements.

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 its report thereon.



Bryce Phillips  
Chief Executive Officer



Kevin Wilkinson, CPA, CA  
Interim Chief Financial Officer

Windsor, Canada  
June 24, 2022



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Minister of Intergovernmental Affairs, 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 2022, 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 2022, and the results of its operations, its remeasurement gains and losses, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of WDBA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WDBA's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WDBA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WDBA to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## REPORT ON COMPLIANCE WITH SPECIFIED AUTHORITIES

### *Opinion*

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

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

### *Responsibilities of Management for Compliance with Specified Authorities*

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

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

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



Catherine Lapalme, CPA, CA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
24 June 2022

# STATEMENT OF FINANCIAL POSITION

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

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash	28,892	42,343
Restricted cash (Note 3)	86,318	91,350
Accounts receivable	2,761	31,371
Deposits	84	59
<b>Total Financial Assets</b>	<b>118,055</b>	165,123
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	85,787	57,636
Accrued employee benefits	1,569	1,478
Environmental liability (Note 4)	8,856	4,477
Holdback (Note 5)	213,747	143,204
Due to private partner (Note 6)	640,731	620,623
<b>Total Liabilities</b>	<b>950,690</b>	827,418
<b>Net Debt</b>	<b>832,635</b>	662,295

*Continued on the next page*

# STATEMENT OF FINANCIAL POSITION (CONTINUED)

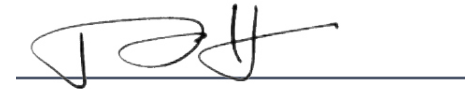
(thousands of dollars)

	2022	2021
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	2,530,771	2,073,496
Prepaid expenses	7,199	11,990
<b>Total Non-Financial Assets</b>	<b>2,537,970</b>	2,085,486
<b>Accumulated Surplus</b>	<b>1,705,335</b>	1,423,191
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,710,339	1,433,572
Accumulated remeasurement losses	5,004	10,381
	<b>1,705,335</b>	1,423,191

Commitments (Note 8) and Contingencies (Note 9)

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

Approved by the Board of Directors



Tim Murphy  
Chair of Board



Maria Campagna  
Chair of Audit Committee

# STATEMENT OF OPERATIONS

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

	March 31, 2022 Budget	2022 Actual	2021 Actual
<b>REVENUE</b>			
Revenue from operations	-	<b>3,166</b>	161
Proceeds from insurance claims	-	-	28
Interest	-	<b>341</b>	595
Foreign exchange gain	-	-	694
<b>Total Revenue</b>	-	<b>3,507</b>	1,478
<b>EXPENSES (Note 10 and Note 15)</b>			
Gordie Howe International Bridge Project	135,477	<b>147,958</b>	134,802
Internal services	1,910	<b>15,757</b>	9,895
<b>Total Expenses</b>	137,387	<b>163,715</b>	144,697
<b>Deficit before Government funding</b>	(137,387)	<b>(160,208)</b>	(143,219)
Government transfers - appropriations	619,609	<b>462,000</b>	463,800
Reimbursement of appropriations (Note 11)	-	<b>(25,025)</b>	(18,050)
	619,609	<b>436,975</b>	445,750
<b>Annual operating surplus</b>	482,222	<b>276,767</b>	302,531
<b>Accumulated operating surplus, beginning of year</b>	1,433,572	<b>1,433,572</b>	1,131,041
<b>Accumulated operating surplus, end of year</b>	1,915,794	<b>1,710,339</b>	1,433,572

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)

	2022	2021
<b>Accumulated remeasurement gains (losses) beginning of year</b>	<b>(10,381)</b>	1,469
Unrealized losses attributable to:		
Foreign exchange	<b>(431)</b>	(11,156)
Amounts reclassified to the Statement of Operations:		
Foreign exchange	<b>5,808</b>	(694)
<b>Net remeasurement gains (losses) for the year</b>	<b>5,377</b>	(11,850)
<b>Accumulated remeasurement losses end of year</b>	<b>(5,004)</b>	(10,381)

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)

	March 31, 2022 Budget	2022 Actual	2021 Actual
Annual operating surplus	482,222	<b>276,767</b>	302,531
Acquisition of tangible capital assets, including transfers from prepaid expenses (Note 15)	(636,723)	<b>(470,131)</b>	(497,883)
Amortization of tangible capital assets	127	<b>12,269</b>	10,542
Impairment of tangible capital assets	-	<b>587</b>	4,409
	(154,374)	<b>(180,508)</b>	(180,401)
Changes in other non-financial assets			
Net change in prepaid expenses	3,620	<b>4,791</b>	(9,716)
Transfer of prepaid expenses to tangible capital assets	-	-	95,813
	3,620	<b>4,791</b>	86,097
Net remeasurement gains (losses) for the year	-	<b>5,377</b>	(11,850)
Change in net debt	(150,754)	<b>(170,340)</b>	(106,154)
Net debt beginning of period	(662,295)	<b>(662,295)</b>	(556,141)
Net debt end of period	(813,049)	<b>(832,635)</b>	(662,295)

*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)

	2022	2021
OPERATING TRANSACTIONS		
Cash receipts from Government transfers	<b>462,000</b>	463,800
Interest received	<b>293</b>	744
HST refunds	<b>31,010</b>	58,510
Other cash receipts	<b>167</b>	859
Cash payments to suppliers	<b>(104,485)</b>	(170,127)
Proceeds from insurance claims	-	28
Return of Parliamentary appropriations	<b>(28,126)</b>	(14,950)
Cash payments to and on behalf of employees	<b>(15,568)</b>	(14,016)
Transfers to International Authority	<b>(270)</b>	(235)
CASH PROVIDED BY OPERATING TRANSACTIONS	<b>345,021</b>	324,613
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	<b>(363,464)</b>	(352,584)
CASH APPLIED TO CAPITAL TRANSACTIONS	<b>(363,464)</b>	(352,584)
Effect of exchange rate changes on cash	<b>(40)</b>	(12,545)
Decrease in cash and cash equivalents	<b>(18,483)</b>	(40,516)
Cash and cash equivalents at beginning of period	<b>133,693</b>	174,209
Cash and cash equivalents at end of period	<b>115,210</b>	133,693
Cash is composed of:		
Cash	<b>28,892</b>	42,343
Restricted cash	<b>86,318</b>	91,350
	<b>115,210</b>	133,693

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. AUTHORITY AND ACTIVITIES

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

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

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

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

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

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

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

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

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

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

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

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

WDBA implemented this directive effective December 31, 2017.

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

The financial statements were approved and authorized for issuance by the Board of Directors on June 24, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Accounting

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

### b. Public-Private Partnership

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

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

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

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

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

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

### i. 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.

#### j. 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.

#### k. 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.

#### l. 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.

#### m. 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.

#### n. 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 90 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.

#### o. 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. Most prepaid expenses are related to insurance to support the project.

#### p. 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.

#### q. Pension and Benefit Plans

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

#### r. Financial Instruments

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

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

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

#### s. Foreign Currency Translation

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

#### t. Measurement Uncertainty

The preparation of financial statements in accordance with Canadian 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.

#### u. 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.

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

The following standard has been issued by the PSAB:

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

This Section was issued by PSAB in August 2018 and will be effective for fiscal years beginning on or after April 1, 2022.

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

### 3. RESTRICTED CASH

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

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

### 4. ENVIRONMENTAL LIABILITY

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

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

The contamination is the result of prior owners' use of the land. Remediation will require the excavation and disposal of contaminated soil. Studies commissioned by WDBA estimate that the cost of remediation activities for the Canadian land to be \$0 (2021: \$0), and \$8,856 for the Michigan land, (2021: \$4,477) for a total of \$8,856 (2021: \$4,477). The increase is mainly due to discovery of additional contaminated soil on the Michigan lands.

This amount was recorded as an environmental liability in the Statement of Financial Position. Of this amount, \$6,300 (2021: \$3,051) was capitalized to the cost of the Project, and \$2,556 (2021: \$1,426) relating to land that will not be leased to WDBA but will remain the responsibility of the State of Michigan, was expensed.

## 5. HOLDBACK

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

## 6. DUE TO PRIVATE PARTNER

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

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

(thousands of dollars)	
Capital Payments:	
2023 Through 2025	46,731
2026	35,048
2027	35,048
2028 and Thereafter	934,624
Less: Total Interest	(476,649)
Private Partner Contribution	574,802
Capitalized Interest To Date	53,403
Expensed Interest To Date	12,526
<b>Liability</b>	<b>640,731</b>

## 7. TANGIBLE CAPITAL ASSETS

(thousands of dollars)

	Leasehold Improvements	Computer and Office Equipment	Construction in Progress	Land	Roads	Leased Property	Total
<b>Cost</b>							
April 1, 2020	911	546	1,352,755	64,886	24,332	154,045	1,597,475
Acquisitions	282	167	389,020	-	-	12,601	402,070
Impairments	-	-	(4,409)	-	-	-	(4,409)
Transfers	-	-	(21,678)	-	21,678	-	-
Transfers from Prepaids	-	-	-	-	-	95,813	95,813
<b>March 31, 2021</b>	<b>1,193</b>	<b>713</b>	<b>1,715,688</b>	<b>64,886</b>	<b>46,010</b>	<b>262,459</b>	<b>2,090,949</b>
April 1, 2021	1,193	713	1,715,688	64,886	46,010	262,459	2,090,949
Acquisitions	-	114	461,714	-	-	8,303	470,131
Impairments	-	-	(587)	-	-	-	(587)
Transfers	-	339	(339)	-	-	-	-
<b>March 31, 2022</b>	<b>1,193</b>	<b>1,166</b>	<b>2,176,476</b>	<b>64,886</b>	<b>46,010</b>	<b>270,762</b>	<b>2,560,493</b>
<b>Accumulated Amortization</b>							
April 1, 2020	639	336	-	-	4,431	1,505	6,911
Amortization	91	114	-	-	8,280	2,057	10,542
<b>March 31, 2021</b>	<b>730</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>12,711</b>	<b>3,562</b>	<b>17,453</b>
April 1, 2021	730	450	-	-	12,711	3,562	17,453
Amortization	117	205	-	-	9,082	2,865	12,269
<b>March 31, 2022</b>	<b>847</b>	<b>655</b>	<b>-</b>	<b>-</b>	<b>21,793</b>	<b>6,427</b>	<b>29,722</b>
<b>Net Book Value</b>							
March 31, 2021	463	263	1,715,688	64,886	33,299	258,897	2,073,496
<b>March 31, 2022</b>	<b>346</b>	<b>511</b>	<b>2,176,476</b>	<b>64,886</b>	<b>24,217</b>	<b>264,335</b>	<b>2,530,771</b>

As of March 31, 2022, WDBA recognized construction in progress of \$2,176,476 (2021: \$1,715,688) for the Project based on eligible costs incurred to date, including capitalized interest of \$53,403 (2021: \$37,115). 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 \$108,828 (2021: \$96,239) of expense related to the I-75 costs and local road improvements, including interest of \$3,821 (2021: \$3,701).

The tangible capital assets acquired during the year shown above include an amount of \$106,667 (2021: \$49,486) for capital items and holdbacks that had not been paid for as of March 31, 2022. These items are not included in the Statement of Cash Flow.

On July 3, 2018, WDBA executed a master lease agreement with Michigan for properties in Michigan's possession. During the year 2022, \$0 (2021: \$95,813) of Michigan land was transferred from prepaid expenses to tangible capital assets (Leased Property); all Michigan properties have been transferred to tangible capital assets as of March 31, 2022.

In 2022, WDBA recognized impairment losses totaling \$587 (2021: \$4,409) to write down damaged assets in construction in progress to their net realizable values. Due to physical damages to the assets, WDBA determined that the assets provided no future benefit to WDBA.

## 8. COMMITMENTS

WDBA has commitments, principally for professional fees, rental agreements, infrastructure construction, operations and maintenance, and IT/Communications for amounts totaling \$3,581,664 (2021: \$4,092,444). 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
2023	4,763	914	905,855	-	723	912,255
2024	1,733	845	413,846	2,199	267	418,890
2025	1,325	834	886,859	13,686	264	902,968
2026	245	-	4,296	24,492	243	29,276
2027	-	-	-	23,800	-	23,800
2028 and thereafter	-	-	-	1,294,475	-	1,294,475
	<b>8,066</b>	<b>2,593</b>	<b>2,210,856</b>	<b>1,358,652</b>	<b>1,497</b>	<b>3,581,664</b>

## 9. CONTINGENCIES

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

## 10. EXPENSES BY TYPE

(thousands of dollars)

	2022	2021
I-75 Costs	<b>107,079</b>	93,384
Payroll and Benefits	<b>15,713</b>	14,911
Amortization	<b>12,269</b>	10,542
Legal Services	<b>7,661</b>	5,172
Foreign Exchange Loss	<b>5,672</b>	-
Insurance	<b>5,034</b>	5,087
Professional Services	<b>4,790</b>	3,786
Local Road Improvements	<b>1,749</b>	2,855
Rent	<b>1,013</b>	1,012
Office and Maintenance	<b>918</b>	886
Impairment Loss	<b>587</b>	4,409
Property Taxes	<b>354</b>	490
Michigan Land	<b>300</b>	1,002
Transfers to International Authority	<b>270</b>	240
Other	<b>116</b>	88
Travel expenses	<b>105</b>	10
Repairs and Maintenance	<b>83</b>	131
Community Benefits	<b>2</b>	692
	<b>163,715</b>	144,697

## 11. 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 \$511 (2021: \$439), and recorded government funding of \$436,974 (2021: \$445,750).

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

### Reimbursement of Appropriations

During the year, the Government of Canada requested that WDBA reimburse \$25,026 of appropriations (2021: \$18,050) it had already received, but not spent, as actual expenditures were lower than estimated.

### 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.

## 12. 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)

	2022	2021
Restricted Cash	<b>86,318</b>	91,350
Cash	<b>28,892</b>	42,343
Deposits	<b>84</b>	59
	<b>115,294</b>	133,752

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	-	-	640,731	640,731
Accounts payable and accrued liabilities	85,787	-	-	85,787
Holdback	1,376	-	212,371	213,747
	<b>87,163</b>	-	<b>853,102</b>	<b>940,265</b>

#### d. Market Risk

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

WDBA is subject to interest rate risk on its cash. If interest rates had varied by 1% during the year, the interest revenue from cash balances would have varied approximately \$1,297 (2021: \$1,464).

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, 2022 would have a net impact of approximately \$849 (2021: \$868).

### 13. BENEFIT PLANS

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

(thousands of dollars)

	2022	2021
Pension plan	841	796
Group benefit plan	688	620
Non-Registered Savings plan	42	43
	<b>1,571</b>	1,459

#### a. Pension Plan

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

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

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

#### b. Non-Registered Savings Plan

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

#### c. Group Benefit Plan

Premium 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.

### 14. IMPACT OF COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the governments of Canada, Ontario, the United States, and Michigan, enacting emergency measures to combat the spread of the virus. While BNA has provided several Notices claiming entitlement to compensation and relief under the Project Agreement (see note 10), as of March 31, 2022, BNA has not substantiated these claimed entitlements for compensation. The situation is dynamic and the ultimate duration, magnitude of the impact, and any entitlement to BNA which may become due by WDBA under the Project Agreement are not known at this time.

## 15. VARIANCES TO BUDGET

Variances between budgeted and actual financial results for the year ended March 31, 2022 reported on the Statement of Operations for the expense categories of Gordie Howe International Bridge Project and internal services expenses, and on the Statement of Change in Net Debt for acquisition of tangible capital assets are due to a misclassification in the budget between these categories of expenditure. Overall, the annual budget from the approved 2021-22 Corporate Plan covers all actual expenditures.

## 16. STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

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

# STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

FOR THE PERIOD ENDED MARCH 31, 2022

## 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



Kevin Wilkinson, CPA, CA  
Interim Chief Financial Officer

Windsor, Canada  
June 24, 2022



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Minister of Intergovernmental Affairs, 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 2022 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 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

## *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statements* section of our report. We are independent of WDBA in accordance with the ethical requirements that are relevant to our audit of the statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Emphasis of Matter – Basis of Accounting*

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

## *Other Information*

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these statements.

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

- ▶ Identify and assess the risks of material misstatement of the statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WDBA's internal control.

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WDBA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WDBA to cease to continue as a going concern.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Catherine Lapalme, CPA, CA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
24 June 2022

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

For the period ended March 31 (thousands of Canadian dollars)

	2022	2021
Canadian Contributions:		
Opening balance (note 4)	2,160,270	1,607,431
Canadian Contributions for the year	470,479	552,839
<b>Aggregate Canadian Contributions</b>	<b>2,630,749</b>	2,160,270
Imputed Cost of Unrecouped Canadian Contributions:		
Opening balance (note 4)	182,144	131,085
Imputed Cost for the year	79,093	51,059
<b>Aggregate Imputed Cost</b>	<b>261,237</b>	182,144
Crossing Authority Revenue:		
Opening balance	(149,837)	(90,555)
Crossing Authority Revenue for the year	(31,303)	(59,282)
<b>Aggregate Crossing Authority Revenue</b>	<b>(181,140)</b>	(149,837)
<b>Total Unrecouped Canadian Contributions</b>	<b>2,710,846</b>	2,192,577

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

## 1. CROSSING AGREEMENT AND STATEMENTS CONTENT

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

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

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Accounting

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

### b. Canadian Contributions

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

### c. International Crossing Costs

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

### d. Michigan Interchange Costs

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

### e. US Federal Plaza Costs

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

### f. Crossing Authority Costs

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

#### **g. International Authority Costs**

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

#### **h. Imputed Cost of Unrecouped Canadian Contributions**

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

#### **i. Crossing Authority Revenue**

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

#### **j. US Federal Agencies Contributions**

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

#### **k. Unrecouped Canadian Contributions**

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

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

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

### **4. EXCLUDED COSTS**

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

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

# CONNECT WITH US



[gordiehoweinternationalbridge.com](http://gordiehoweinternationalbridge.com)  
[info@wdbridge.com](mailto:info@wdbridge.com)



3201 Sandwich St.  
Windsor, Ontario  
N9C 1A8  
1-844-322-1773



7744 W Vernor Hwy.  
Detroit, Michigan  
48209  
1-844-322-1773



100 Ouellette Ave,  
Suite 400, Windsor, ON  
N9A 6T3  
519-946-3038



@GordieHoweBrg



@GordieHoweBrg



@GordieHoweBridge



[Youtube.com/GordieHoweBridge](https://www.youtube.com/GordieHoweBridge)



WDBA-APWD





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

Aussi disponible en français  
© Windsor-Detroit Bridge Authority, Windsor, 2022  
Design: Corporate Affairs and External Relations