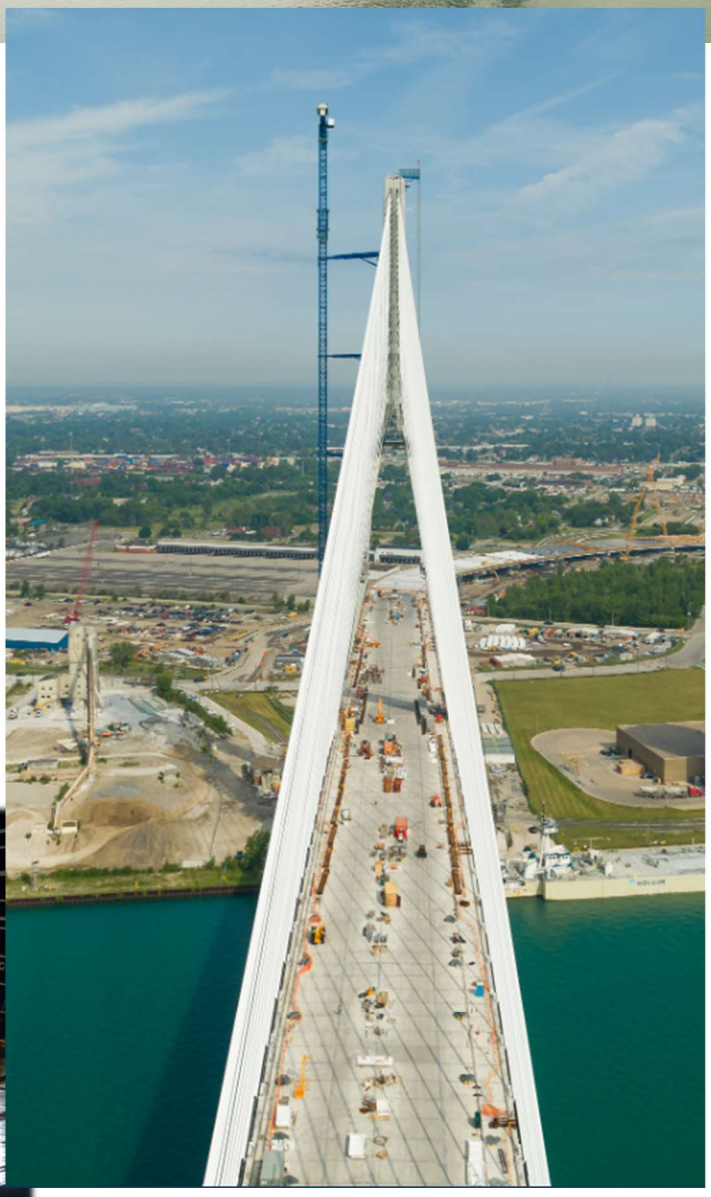
Windsor-Detroit Bridge Authority
Quarterly Financial Report for the Period Ended June 30, 2026

Unaudited









MANDATE

Windsor-Detroit Bridge Authority (WDBA) was established on October 9, 2012, by Letters Patent pursuant to the *International Bridges and Tunnels Act* (under Order in Council P.C. 2012-1350). It is a Schedule III, Part I non-agent parent Crown corporation under Part X of the *Financial Administration Act* (FAA). Its mandate is based on its Letters Patent, Supplementary Letters Patent and the Crossing Agreement. Consistent with that mandate WDBA is to design, build, and maintain all required infrastructure and assets, set and collect tolls and operate the facility, all to maximize the safe and efficient throughput of people and goods over the Canada-US border between Windsor, Ontario, and Detroit, Michigan.

OVERVIEW OF THE GORDIE HOWE INTERNATIONAL BRIDGE PROJECT

The Windsor-Detroit trade corridor is the busiest border crossing between the U.S. and Canada. The Gordie Howe International Bridge project (the project) will address current constraints with existing crossing capacity and will accommodate future trade and travel demand to provide the needed capacity as well as system redundancy in the Windsor-Detroit Region, and flexibility to stream traffic to improve border processing. The project has four major components:

- Bridge – a six-lane cable-stayed bridge with a span of 853 metres across the Detroit River.
- Canadian Port of Entry (POE) – a 53-hectare site that will house passenger, commercial and animal inspection, customs and border processing, tolling, and maintenance facilities.
- U.S. POE – a 68-hectare site of similar scale to the Canadian Port of Entry, but without toll collection facilities.
- Michigan Interchange with Interstate 75 (I-75) – consists of the primary connecting overpasses and ramps to and from the U.S. Port of Entry and associated local road improvements.

The project is being delivered through a public-private partnership (P3), using the design, build, finance, operate and maintain (DBFOM) model. On September 28, 2018, WDBA entered into a Public-Private Partnership with Bridging North America (BNA). BNA is a consortium consisting of:

- ACS Infrastructure Canada Inc., which is the Canadian subsidiary of ACS Group
- Fluor Canada Ltd., a subsidiary of Fluor Corporation, and
- Aecon Group Inc.

In January 2024, WDBA announced amendments to the Project Agreement, including an updated overall contract value of $6.4 billion, revised construction completion milestones, and additional measures to support project delivery. During the first quarter of 2026-27, the project reached a significant milestone with the achievement of Substantial Completion on June 9, 2026. Subsequently, the Gordie Howe International Bridge opened to traffic on July 27, 2026. See Note 6(c) to the financial statements for further detail.

OBJECTIVES, ACTIVITIES AND EXPECTED RESULTS

WDBA's strategic objectives for 2026-27 reflect the transition from project delivery to bridge operations. During the first quarter, WDBA achieved a significant milestone with the achievement of Substantial Completion on June 9, 2026. Subsequent to quarter-end, the Gordie Howe International Bridge opened to traffic on July 27, 2026. WDBA's strategic objectives, activities and expected results reflect this transition and are focused on the successful operation and long-term stewardship of the crossing.

• **Well Governed** – A culture of excellence through impassioned service and integrity-driven stewardship.

- Maintaining strong governance, transparency and accountability.
- Maintaining positive relationships with WDBA's shareholder, bridge co-owner, stakeholders, neighboring communities and Indigenous partners.
- Maximizing taxpayer value through prudent financial management and effective stewardship of public resources.

• **Assets Available** – Efficient asset management prioritizing safety, asset durability, operational efficiency, environmental protection and cost effectiveness.

- Overseeing the transition from construction to operations.
- Monitoring the resolution of remaining deficiencies and deferred works.
- Working toward Final Completion of the design-build phase while ensuring assets remain available and reliable for operational use.

• **Efficient Operations** – The seamless movement of people and goods through the border crossing while continuously improving operational performance.

- Supporting safe and secure operations of the bridge and associated facilities.
- Supporting border services operations through collaborative partnerships with Canadian and U.S. agencies.
- Monitoring asset performance, tolling systems and operational readiness to ensure efficient border processing and movement of traffic.

• **Optimize Usage** – Exceptional experiences that respond to bridge users' needs and expectations.

- Implementing a customer-centric approach that responds to bridge users' needs and expectations.
- Promoting customer attraction and retention through reliable service, competitive tolling and enhanced customer experiences.

- Supporting ongoing growth in traffic volumes and utilization of the Gordie Howe International Bridge.

These strategic objectives support WDBA's mandate to operate and maintain the Gordie Howe International Bridge while facilitating the safe, secure and efficient movement of people and goods between Canada and the United States.

FINANCIAL ANALYSIS

SUMMARY

At the end of the first quarter of 2026-27, net results of operations at WDBA reflect a surplus of $34.5 million (2025-26: $39.3 million). The surplus is mostly due to the timing of appropriations and expenditures on capital assets.

Compared to the 2026 fiscal year-end results, WDBA's net debt decreased to $614.9 million, a decrease of $17.4 million primarily as a result of ongoing construction (2025-26: $632.3 million). Non-financial assets increased by $17.8 million to $4,791.1 million (2025-26: $4,773.3 million). The increase is mainly due to continuing BNA construction activities and the Project Agreement amendment.

COMPARISON TO EXPECTED RESULTS

The following table summarizes actual expenses as compared to the full 12 months of the approved 2026-27 Corporate Plan:

	Twelve Months Ended		
	March 31, 2027 Corporate Plan	**June 30, 2026 Actual**	Percentage
Gordie Howe International Bridge Project	188,504	**27,740**	14.7%
Internal services	47,746	**3,110**	6.5%
Total Expenses	**236,250**	**30,850**	**13.1%**

WDBA continues to closely monitor expenditures against its approved Corporate Plan throughout the year. Total expenses incurred through the first quarter, including amortization, represent approximately 13.1% of the full-year Corporate Plan budget. Project costs expensed during the quarter represent approximately 14.7% of the annual budgeted amount. Internal services costs were. 6.5%. These variances are primarily attributable to the timing of project activities, contractual milestone payments, operating and maintenance costs, professional services, and other project-related expenditures.

STATEMENT OF OPERATIONS

APPROPRIATIONS

WDBA received appropriations of $64.4 million in the first quarter, compared to $57.4 million in the same quarter of the prior year.

The appropriations were used to fund BNA's activities, the Project Agreement amendment, Michigan activities, design, and engineering costs, and WDBA operations.

EXPENSES

COMPARED TO PRIOR YEAR

Compared to the prior year, expenses have increased by $4.3 million. The table below summarizes the year-over-year expense variances by type.

(thousands of dollars)		
EXPENSES BY TYPE	**Three Months ended**	
	June 30, 2026	June 30, 2025
Amortization	**7,448**	2,225
I-75 Costs	**7,065**	8,634
Payroll and Benefits	**4,785**	6,100
Insurance	**3,907**	4,307
Operations and maintenance	**3,419**	-
Community Benefits	**1,260**	2,307
(Gain)/Loss on sales of Assets	**650**	-
Legal Services	**547**	438
Professional Services	**474**	700
Office and Maintenance	**303**	488
Foreign Exchange Loss	**247**	-
Property Taxes	**234**	231
Other	**120**	32
Local Road Improvements	**114**	348
Rent	**99**	102
Travel Expenses	**64**	98
Michigan Land	**57**	543
Repairs and Maintenance	**57**	41
	30,850	26,594

Total expenses increased by $4.3 million to $30.9 million compared to $26.6 million in the same quarter of the prior year. The largest increase from the prior year relates to amortization expense associated with the Canadian Port of Entry, which was placed into service in March 24. 2026. Operations and Maintenance costs also increased as Interim OMR services expanded to both the Canadian and U.S. facilities during the quarter and transitioned to full OMR payments following the achievement of Substantial Completion on June 9, 2026. In addition, a loss on the sale of tangible capital assets was recognized for the office trailers located at the Canadian Port of Entry.

These increases were partially offset by reductions in I-75 Costs, Community Benefits, Payroll and Benefits, Insurance, and Michigan Land costs as major construction and related project activities approached completion. Other year-over-year changes occurred across several expense categories; however, none were individually significant to the overall variance.



STATEMENT OF FINANCIAL POSITION

COMPARED TO PRIOR YEAR

FINANCIAL ASSETS

Financial assets of $114.6 million (March 31, 2026: $89.8 million) consisted of $111.5 million in cash (March 31, 2026: $87.1 million), and $3.1 million in accounts receivable and deposits (March 31, 2026: $2.7 million).

At the end of the quarter, WDBA had a restricted cash balance of $37.7 million (March 31, 2026: $34.8 million). These funds are held in a US dollar escrow account to fund U.S. property acquisitions and other Michigan activities carried out by MDOT. WDBA is required to fund MDOT's Michigan activities at the beginning of each quarter through the escrow account.

Accounts receivable consist mainly of invoiced contracted services and 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.

LIABILITIES

At quarter end, WDBA's liabilities were $729.5 million (March 31, 2026: $722.1 million). Liabilities consist mainly of BNA's 15% contribution to the project, accounts payable and accruals for WDBA's suppliers, and a liability for environmental remediation.

Accounts payable and accrued liabilities of $80 million (March 31, 2026: $66.2 million) consist primarily of amounts for BNA activities, Michigan Activities, and the Owner's Engineer.

NON-FINANCIAL ASSETS

WDBA held $4,786.4 million of tangible capital assets at the end of the quarter, compared to $4,769.8 million at the end of the prior year. These consist primarily of capitalized costs incurred related to the Gordie Howe International Bridge project (Construction in Progress), leased property in Canada and Michigan, and the Perimeter Access Road (PAR).

Construction in Progress was nil as at June 30, 2026 (March 31, 2026: $3,322.6 million). During the quarter, the remaining capitalized costs associated with the Bridge and U.S. Port of Entry were transferred from Construction in Progress to their respective tangible capital asset categories following the achievement of Substantial Completion on June 9, 2026. As a result, all major project components were ready for productive use and are reflected within tangible capital assets as at quarter-end. The table below provides a comparison of Construction in Progress balances between the prior quarter and the current quarter and reflects the transfer of the remaining project assets to their respective tangible capital asset categories during the quarter

(thousands of dollars)		
	June 30, 2026	March 31, 2026
Bridge		1,911,913
US Port of Entry		1,410,720
	-	3,322,633

Prepaid expenses of $4.7 million (March 31, 2026: $3.5 million) consist primarily of prepaid insurance. As at June 30, 2026, no prepaid retainage remained (March 31, 2026: $3.0 million). The prior-year balance related to the aggregate holdback released to BNA under the Project Agreement amendment as part of the mid-project settlement and has been fully utilized during the quarter.

The table below provides a breakdown on the Prepaid Expenses:

(thousands of dollars)		
	June 30, 2026	March 31, 2026
Prepaid Retainage	**-**	3,029
Prepaid Insurance	**4,051**	11
Other	**650**	430
	4,701	3,471

RISK ANALYSIS

WDBA's Enterprise Risk Management policy and procedure ensures a consistent and comprehensive approach to risk management that is integrated into planning, decision-making and operational processes. WDBA considers risk management to be a shared responsibility within the organization.

CORPORATE RISK

WDBA's Board of Directors and its related committees are accountable for risk oversight. WDBA's Board of Directors approved revised Risk Appetite Statements and Sensitivities in May 2023, which continue to support risk reporting and Board oversight activities. WDBA has established Risk Appetite Statements, Sensitivities, Dimensions and risk registers across the Project, Enterprise and Operations environments.

Following the achievement of Substantial Completion on June 9, 2026 and the opening of the Gordie Howe International Bridge on July 27, 2026, WDBA continues its transition from a project delivery organization to a facility owner and operator. This transition requires the continued evolution of organizational structures, processes and capabilities to support long-term operational

responsibilities. As part of this transition, WDBA continues to monitor risks related to workforce planning, succession management, employee retention and organizational capacity.

PROJECT AND OPERATIONAL RISK

While major construction activities have been completed, WDBA continues to monitor project close-out activities, warranty obligations, outstanding contractual matters and the long-term performance requirements associated with the Project Agreement. WDBA regularly briefs the Assistant Deputy Ministers (ADM) Committee on significant project and operational risks and works collaboratively with government partners and stakeholders to support the successful operation of the crossing.

As the crossing is now operational, WDBA also monitors risks related to operational performance, toll system availability, customer service delivery, traffic management, border agency coordination, asset reliability and business continuity. Risks arising from legislative changes, regulatory requirements, agency occupancy needs and evolving operational requirements are assessed on an ongoing basis and mitigation measures are implemented where appropriate.

In addition, WDBA relies on various technology and tolling systems to support the operation of the crossing and the collection of toll revenues. Cybersecurity threats, technology failures or disruptions to critical systems could impact operational performance, customer service or financial reporting. WDBA continues to maintain and enhance security controls, monitoring activities and business continuity procedures to mitigate these risks.

FINANCIAL RISK

WDBA anticipates the potential to receive future claims and commercial disputes arising in the normal course of project close-out activities and operations. Lessons learned from the Mid-Project Settlement, amendments to the Project Agreement and the establishment of the Integrated Commercial Management Team support the proactive management of commercial matters, contractual obligations and dispute resolution processes.

As operations commence, WDBA is also exposed to financial risks associated with traffic volumes, toll revenue generation, operating and maintenance costs, inflationary pressures and the long-term financial obligations arising from the Project Agreement. Actual traffic volumes and revenues may differ from forecasts due to economic conditions, cross-border trade activity, user demand, competition from alternative crossings and changes in border processing requirements. WDBA continues to monitor these risks through regular forecasting, financial reporting, contract management and operational performance monitoring activities.

WDBA QUARTERLY FINANCIAL STATEMENTS FOR THE FIRST QUARTER 2026-27

STATEMENT OF MANAGEMENT RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring that all other information in the quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.

Chuck Andary
Acting Chief Executive Officer
Officer

Joël Hupé, JD MBA CPA, CMA
Chief Financial & Administrative

Windsor, Canada
August 14, 2026

Windsor-Detroit Bridge Authority
Quarterly Statement of Financial Position (Unaudited)
As at June 30, 2026
(thousands of dollars)

	June 30, 2026	March 31, 2026
FINANCIAL ASSETS		
Cash	**73,805**	52,253
Restricted cash (Note 3)	**37,681**	34,845
Accounts receivable	**3,012**	2,619
Deposits	**57**	57
Total Financial Assets	**114,555**	89,774
LIABILITIES		
Accounts payable and accrued liabilities	**80,001**	66,242
Accrued employee benefits	**1,064**	3,958
Environmental liability (Note 4)	**8,488**	8,642
Due to private partner (Note 6)	**639,469**	643,107
Deferred revenue	**446**	148
Total Liabilities	**729,468**	722,097
Net Debt	**614,913**	632,323
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	**4,786,395**	4,769,820
Prepaid expenses (Note 2b)	**4,700**	3,470
Total Non-Financial Assets	**4,791,095**	4,773,290
Accumulated Surplus	**4,176,182**	4,140,967
Accumulated surplus is comprised of:		
Accumulated operating surplus	**4,175,208**	4,140,751
Accumulated remeasurement gains	**974**	216
	4,176,182	4,140,967

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

Windsor-Detroit Bridge Authority
Quarterly Statement of Operations
for the three months ended June 30, 2026
(thousands of dollars)

(Unaudited)

	March 31, 2027 Budget	**June 30, 2026 Actual**	June 30, 2025 Actual
REVENUE			
Tolling Revenue	89,348	**-**	-
Contract revenue	-	**2**	3
Performance deductions	-	**175**	930
Interest	1,088	**699**	2,160
Foreign exchange gain	-	**-**	5,349
Total Revenue	90,436	**876**	8,442
EXPENSES (Note 9)			
Gordie Howe International Bridge Project	188,504	**27,740**	23,065
Internal services	47,746	**3,110**	3,529
Total Expenses	236,250	**30,850**	26,594
Deficit before Government funding	(145,814)	**(29,974)**	(18,152)
Government transfers - appropriations	168,603	**64,432**	57,406
	168,603	**64,432**	57,406
Operating surplus	22,789	**34,458**	39,254
Accumulated operating surplus, beginning of period	4,098,513	**4,140,750**	4,064,065
Accumulated operating surplus, end of period	4,121,302	**4,175,208**	4,103,319

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

Windsor-Detroit Bridge Authority
Quarterly Statement of Remeasurement Gains and Losses
for the three months ended June 30, 2026
(thousands of dollars)

(Unaduted)

	June 30, 2026	June 30, 2025
Accumulated remeasurement gains beginning of period	**216**	7,074
Unrealized losses attributable to:		
Foreign exchange	**(6,100)**	(1,727)
Amounts reclassified to the Statement of Operations:		
Foreign exchange	**6,858**	(5,702)
Net remeasurement (losses) gains for the period	**758**	(7,429)
Accumulated remeasurement gains (losses) end of period	**974**	(355)

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

Windsor-Detroit Bridge Authority
Quarterly Statement of Change in Net Financial Assets (Net Debt) (Unaudited)
for the three months ended June 30, 2026
(thousands of dollars)

	March 31, 2027 Budget	**June 30, 2026 Actual**	June 30, 2025 Actual
Operating surplus	22,789	**34,458**	39,254
Acquisition of tangible capital assets	(74,227)	**(20,558)**	(20,627)
Interest capitalized	-	**(4,151)**	(4,243)
Amortization of tangible capital assets	78,101	**7,448**	2,225
Disposal of tangible capital assets	-	**686**	-
	26,663	**17,883**	16,609
Changes in other non-financial assets			
Acquisition of prepaid expenses	-	**(6,538)**	(1,080)
Use of prepaid expenses	1	**4,213**	4,665
Transfer of prepaids to capital	-	**1,095**	2,533
	1	**(1,230)**	- 6,118
Net remeasurement (losses) gains for the period	-	**758**	(7,429)
Change in net debt	26,664	**17,411**	15,298
Net debt beginning of period	(628,024)	**(632,324)**	(644,557)
Net debt end of period	(601,360)	**(614,913)**	(629,259)

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

Windsor-Detroit Bridge Authority **Quarterly Statement of Cash Flow** **for the year ended March 31** **(thousands of dollars)**		(Unaudited)
	2027	**2026**
OPERATING TRANSACTIONS		
Cash receipts from Government transfers	**64,432**	168,911
Interest received	**612**	3,860
Interest paid	**(973)**	(3,948)
HST refunds	**-**	1,065
Other cash receipts	**188**	5,935
Cash payments to suppliers	**(13,638)**	(62,768)
Deferred revenue	**298**	148
Cash payments to and on behalf of employees	**(7,668)**	(21,848)
Transfers to International Authority	**-**	(40)
CASH PROVIDED BY OPERATING TRANSACTIONS	**43,251**	91,315
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**52**	-
Cash used to acquire tangible capital assets	**(11,707)**	(128,365)
Interest paid to acquire tangible capital assets	**(4,151)**	(16,833)
CASH APPLIED TO CAPITAL TRANSACTIONS	**(15,806)**	(145,198)
FINANCING TRANSACTIONS		
Payments to private partner	(3,638)	(14,267)
CASH APPLIED TO FINANCING TRANSACTIONS	**(3,638)**	(14,267)
Effect of exchange rate changes on cash	**581**	(1,031)
Increase (Decrease) in cash	**24,388**	(69,181)
Cash at beginning of period	**87,098**	156,278
Cash at end of period	**111,486**	87,098
Cash is composed of:		
Cash	**73,805**	52,253
Restricted cash	**37,681**	34,845
	111,486	87,098

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

SELECTED NOTES TO THE QUARTERLY UNAUDITED FINANCIAL STATEMENTS

(All dollar amounts in thousands)

1. AUTHORITY AND ACTIVITIES

WDBA is governed by the following:

- The *International Bridge and Tunnels Act* - Pursuant to ss.29 (1) of this Act, WDBA was established by Letters Patent as a Crown corporation on October 9, 2012.
- The *Financial Administration Act* (FAA) - WDBA is a Schedule III, Part I parent Crown corporation listed under Part X of the FAA.
- The Canada-Michigan Crossing Agreement - The agreement provides a framework for Canada to establish WDBA as a Crossing Authority to design, build, finance, operate and maintain the new bridge under one or more P3 Agreements.

As a Crown corporation, WDBA is accountable to Parliament through the Minister of Housing, Infrastructure and Communities. Related to its governance, as per the FAA, the duties and responsibilities of WDBA's Board of Directors is to set corporate objectives and direction, ensure good governance, monitor financial performance, approve budgets and financial statements, approve policies and by-laws, as well as ensure that risks are identified and managed.

In addition to its Board of Directors, WDBA's compliance with the Crossing Agreement is monitored by an International Authority. The International Authority consists 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.

The mandate of WDBA is based on its Letters Patent, Supplementary Letters Patent and the Crossing Agreement. Consistent with that mandate WDBA is to design, build, and maintain all required infrastructure and assets, set and collect tolls and operate the facility, all to maximize the safe and efficient throughput of people and goods over the Canada-US border between Windsor, Ontario, and Detroit, Michigan.

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.

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 August 14, 2026.

These unaudited interim financial statements have been prepared by management in accordance with the Treasury Board of Canada's Standard on Quarterly Financial Reports for Crown Corporations. The basis of accounting used is Canadian Public Sector Accounting Standards. The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the most recent annual financial statements. These interim financial statements do not include all the disclosures provided in WDBA's annual audited financial statements. The disclosures provided below are incremental to those included in the annual financial statements. The interim financial statements should be read in conjunction with the financial statements and the notes thereto for the year ended March 31, 2026, when they become publicly available.

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 Public-Private Partnership is governed by the Project Agreement between WDBA and Bridging North America (BNA). 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 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 using the financial liability model. 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. The components of the Facility are the Bridge, the Canadian Port of Entry, and the US Port of Entry. 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 eligible design and build costs as Due to Private Partner, representing the Threshold Amount. The Threshold Amount was achieved in March 2019. Following achievement of the Threshold Amount, WDBA recorded a 15% holdback on subsequent eligible design-build invoices until the Aggregate Holdback Release, as provided for under the Project Agreement Amendment. The Aggregate Holdback, totaling $480.7 million, was released on November 30, 2024 in accordance with the terms of the amendment (Note 6(c)). Amounts advanced under the amendment were recorded as prepaid expenses and reduced as eligible design-build costs were incurred and invoiced. As at June 30, 2026, no balance remained in prepaid expenses related to this arrangement (March 31, 2026: $3.0 million).

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.

The due to private partner amount is measured at amortized cost based on the effective interest rate, which is represented by the rate implicit within the contract. The due to private partner amount will be repaid to BNA through a series of monthly capital payments, which commenced in



December 2023. The capital payments expire after 30 years and include both principal and interest components.

c. Revenue

Tolling revenue represents amounts charged to customers for the use of the Gordie Howe International Bridge. A performance obligation arises when WDBA provides customers access to the crossing and related transportation infrastructure. Revenue is recognized when a crossing occurs and the performance obligation is satisfied. Revenue is measured based on the applicable approved toll rate, net of any applicable discounts or adjustments. Amounts received in advance of a crossing are recorded as deferred revenue and recognized as revenue when the related crossing occurs.

Contract revenue represents revenue from activities related to the project, as well as revenue arising from WDBA overseeing work on the project for entities that are not parties to the Project Agreement. The work is performed by entities contracted by WDBA, with WDBA performing an oversight function. A performance obligation arises from WDBA's contractual obligation to ensure that the contracted entity performs the work. Revenue is recognized as work is completed in accordance with the provisions of the contract.

Performance deductions consist primarily of deductions taken from payments to the private partner. These deductions are at WDBA's discretion, represent involuntary, non-exchange transactions, and do not give rise to a performance obligation. Revenue from performance deductions is recognized when certain conditions are met under the Project Agreement and are measured at their realizable value.

There is no revenue from non-recurring activities presented in these financial statements.

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 unearned revenue when stipulations give rise to a liability.

For government transfers initially recognized as unearned 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 in a note to the Financial Statements.

m. 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 land	between 87 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.

n. 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. Included in prepaid expenses is an amount advanced per the terms of the Project Amendment Agreement (Note 6c), which is reduced by 15% of each subsequent design and build cost invoice.

o. Contingent Liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If a 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.

p. Contingent assets

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty which may become actual assets when one or more future events not wholly within WDBA's control occurs or fails to occur. If a future event is likely to occur, disclosure is made of the contingent asset. If the likelihood of the future event is unlikely or not determinable at the date of the financial statements, no disclosure is made.

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
	Accounts receivable	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 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 submitted to the Treasury Board Secretariat.

3. RESTRICTED CASH

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

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

4. ENVIRONMENTAL LIABILITY

WDBA recognizes a provision for environmental cleanup when all 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. 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 to be $8,488 (2026: $8,642) for the Michigan land.

This amount was recorded as an environmental liability in the Statement of Financial Position. The entire amount, $8.5 million (2026: $8.6 million) was capitalized to the cost of the project.

5. HOLDBACK

WDBA temporarily retains amounts otherwise payable to contractors to ensure contractual obligations are fulfilled. The aggregate holdback owing to BNA, totaling $480.7 million, was released on November 30, 2024 in accordance with the Project Agreement Amendment and replaced with alternative security related to the remaining design-build work. Further details regarding the Project Agreement Amendment and the related prepaid retainage balance are provided in Note 6(c).

6. PUBLIC-PRIVATE PARTNERSHIP

a. PUBLIC-PRIVATE PARTNERSHIP AGREEMENT

On September 28, 2018, WDBA entered into a Public-Private Partnership Agreement with BNA to design, build, partially finance, operate and maintain the project. The Agreement will terminate in 2055.

b. DUE TO PRIVATE PARTNER

BNA is responsible for financing the Project to an amount equal to 15% of design and build costs, (the Threshold Amount $574,803), prior to WDBA contributing its own funds to the Project. The Threshold Amount was achieved during March 2019, with the liability presented as the present value of expected future cash flows, discounted at the implied effective interest rate of 3.24%.

This liability is discharged by WDBA through Capital Payments, which commenced in December 2023, and expire 30 years after that date.

Due to private partner liability (thousands of dollars)		
	June 30, 2026	March 31, 2026
Opening Balance	(643,107)	(657,374)
Interest	(5,124)	(20,781)
Payments	8,762	35,048
Closing Balance	(639,469)	(643,107)

Estimated repayments for the next five years and thereafter are as follows:

(thousands of dollars)	
Remainder of Current Year	26,286
2028	35,048
2029	35,048
2030	35,048
2031	35,048
2031 and Thereafter	794,430
Total Future payments	960,908

c. Project Agreement Amendment

On January 4, 2024, WDBA announced that the Project Agreement between WDBA and Bridging North America (BNA) had been amended. The amendment was a result of unprecedented disruptions caused by the COVID-19 pandemic and related impacts to project delivery. The amendment revised the project schedule, increased the overall contract value from $5.7 billion to $6.4 billion and provided an additional $3 million in Community Benefits funding to be shared equally between Canada and the United States.

The amendment also provided for the release of the aggregate holdback to BNA. The aggregate holdback totaled $480.7 million and was released on November 30, 2024 in accordance with the terms of the amendment. In exchange, the holdback was replaced with alternative security related to the remaining design-build work.

The amendment changed the event triggering the commencement of capital payments, resulting in capital payments commencing in December 2023 rather than upon handover of the Canadian Port of Entry. The amendment also released WDBA from claims up to December 1, 2022 and established liquidated damages provisions related to contractual performance obligations.

Substantial Completion was achieved on June 9, 2026. As a result, BNA became entitled to invoice the remaining design-build milestone payments under the Project Agreement. During the quarter, the remaining balance of prepaid retainage related to the aggregate holdback release was fully applied against eligible design-build invoices. Accordingly, no prepaid retainage remained outstanding as at June 30, 2026 (March 31, 2026: $3.0 million)

7. TANGIBLE CAPITAL ASSETS

During the quarter, WDBA achieved Substantial Completion of the Gordie Howe International Bridge project on June 9, 2026. As a result, the remaining capitalized costs associated with the Bridge and U.S. Port of Entry were transferred from Construction in Progress to their respective tangible capital asset categories and placed into service.

Accordingly, Construction in Progress was nil as at June 30, 2026 (March 31, 2026: $3,322.6 million). The March 31, 2026 balance primarily represented costs associated with the Bridge and U.S. Port of Entry, including construction costs, design and procurement activities, utility relocations, costs associated with the Project Agreement amendment, professional services, environmental remediation activities and capitalized interest.

Capitalized interest included in tangible capital assets totaled $138.0 million as at June 30, 2026 (March 31, 2026: $133.9 million). Amortization expense recognized during the quarter totaled $7.4 million and primarily relates to the Canadian Port of Entry, which was placed into service on March 24, 2025. In accordance with WDBA's accounting policy, amortization commences in the period following an asset being placed into service and available for productive use. As the Bridge and U.S. Port of Entry achieved Substantial Completion on June 9, 2026 and were transferred from Construction in Progress during the quarter, amortization of these assets will commence subsequent to quarter-end in accordance with WDBA's amortization policy.

The table below provides a comparison of Construction in Progress balances between the prior quarter and the current quarter and reflects the transfer of the remaining project assets to their respective tangible capital asset categories during the quarter.

Tangible capital assets acquired during the period but not yet paid as at quarter-end include $11.9 million (March 31, 2026: $5.7 million). As these amounts had not been settled in cash as at June 30, 2026, they are excluded from the Statement of Cash Flows.

(thousands of dollars)	Bridge and Approaches	Buildings	Leasehold Improvements	Computer and Office Equipment	Construction in Progress	Land	Roads	Leased Land	Equipment and Vehicles	Total
Cost										
April 1, 2025		-	165	811	4,289,803	64,886	45,770	356,153	-	4,757,588
Acquisitions		-	6	-	71,934	-	-	-	-	71,940
Disposals		-	-	(91)	(529)	-	-	(130)	-	(750)
Transfers		691,670	-	-	(1,045,431)	-	353,075	-	686	-
Transfers from Prepaids		-	-	-	6,856	-	-	-	-	6,856
March 31, 2026		691,670	171	720	3,322,633	64,886	398,845	356,023	686	4,835,634
April 1, 2026		691,670	171	720	3,322,633	64,886	398,845	356,023	686	4,835,634
Acquisitions		-	-	-	23,435	-	-	179	-	23,614
Disposals		-	-	-	-	-	-	-	(686)	(686)
Transfers	2,267,562	832,961	-	-	(3,347,163)	-	246,575	-	65	-
Transfers from Prepaids		-	-	-	1,095	-	-	-	-	1,095
June 30, 2026	**2,267,562**	**1,524,631**	**171**	**720**	**-**	**64,886**	**645,420**	**356,202**	**65**	**4,859,657**
Accumulated Amortization										
April 1, 2025		-	22	671	-	-	43,899	15,703	-	60,295
Amortization		-	31	-	-	-	1,677	3,902	-	5,610
Disposals		-	-	(91)	-	-	-	-	-	(91)
March 31, 2026		-	53	580	-	-	45,576	19,605	-	65,814
April 1, 2026		-	53	580	-	-	45,576	19,605	-	65,814
Amortization		4,730	7	-	-	-	1,735	976	-	7,448
June 30, 2026	**-**	**4,730**	**60**	**580**	**-**	**-**	**47,311**	**20,581**	**-**	**73,262**
Net Book Value										
March 31, 2026	-	691,670	118	140	3,322,633	64,886	353,269	336,418	686	4,769,820
June 30, 2026	**2,267,562**	**1,519,901**	**111**	**140**	**-**	**64,886**	**598,109**	**335,621**	**65**	**4,786,395**

8. 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.

9. EXPENSES BY TYPE

(thousands of dollars)		
EXPENSES BY TYPE	**Three Months ended**	
	June 30, 2026	June 30, 2025
Amortization	**7,448**	2,225
I-75 Costs	**7,065**	8,634
Payroll and Benefits	**4,785**	6,100
Insurance	**3,907**	4,307
Operations and maintenance	**3,419**	-
Community Benefits	**1,260**	2,307
(Gain)/Loss on sales of Assets	**650**	-
Legal Services	**547**	438
Professional Services	**474**	700
Office and Maintenance	**303**	488
Foreign Exchange Loss	**247**	-
Property Taxes	**234**	231
Other	**120**	32
Local Road Improvements	**114**	348
Rent	**99**	102
Travel Expenses	**64**	98
Michigan Land	**57**	543
Repairs and Maintenance	**57**	41
	30,850	26,594

10. COMPARATIVE FIGURES

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