





# TABLE OF CONTENTS

2

GREETINGS

4

CORPORATE OVERVIEW

6

PROJECT OVERVIEW

8

PROJECT COMPONENTS

10

OUR PERFORMANCE

11

PREPARATORY ACTIVITIES

12

STRATEGIC PRIORITIES

14

PUBLIC-PRIVATE PARTNERSHIP (P3)

16

OUTLOOK FOR 2017-2018

17

FINANCIAL RESULTS

21

FINANCIAL STATEMENTS

47

COMMUNITY CONNECTIONS

48

CONTACT INFORMATION



## MESSAGE FROM **THE CHAIR**



**A**s I began to write this letter, I realized just how much has been accomplished over Fiscal Year 2016-2017. It has been an exciting year of progress for the Gordie Howe International Bridge project with many rewarding moments.

Over the past year, Windsor-Detroit Bridge Authority (WDBA) has focused its efforts on several strategic priorities: launching the second stage of the public-private partnership (P3) procurement process; advancing property acquisition in Michigan; and continuing preparatory activities at the sites of the Canadian and US Ports of Entry (POE).

In November 2016, we announced that the Request for Proposals (RFP) inviting Proponents to submit formal proposals to design, build, finance, operate and maintain the Gordie Howe International Bridge project, had been issued. The RFP is a pivotal point in the delivery of the new crossing and marks the start of an intensive period of discussion between our Proponents and our project team.

All of the land required for the components of the project on the Canadian side was secured during Fiscal Year 2016-2017. Property acquisition on the US side of the project also advanced. Michigan, WDBA's partner in the delivery of the Gordie Howe International Bridge project, has taken great care to ensure that property owners and tenants located within the identified locations of US project components are kept informed of the acquisition process and their rights under Michigan laws.

The theme of our annual report this year is 'momentum' and the preparatory activities currently underway on both sides of the border demonstrate this movement. During Fiscal Year 2016-2017, WDBA and its contractors have continued

to prepare the Canadian and US POEs for the work to be completed by the eventual private-sector partner. These works include: minor and major utility relocation; clearance activities; construction of the perimeter access road; placement of fill; and infrastructure installation.

***“The momentum  
WDBA has achieved  
during the past year  
will accelerate...”***

I would like to thank my colleagues on the Board of Directors for their stewardship, the members of the International Authority for their steadfast commitment, our partners from the governments of Canada, the US and Michigan for their participation and insight, and the WDBA staff for their expertise and dedication. Collectively, they are responsible for the successes we achieved over the past fiscal year.

The momentum WDBA has achieved during the past year will accelerate as we move toward the completion of what is arguably one of the largest infrastructure projects in North America – the Gordie Howe International Bridge.

Dwight Duncan



# MESSAGE FROM THE PRESIDENT AND CEO



**D**uring Fiscal Year 2016-2017, WDBA continued to make important progress towards the construction of the largest and most ambitious infrastructure project along the Canada-US border – the Gordie Howe International Bridge project.

While WDBA is structured like a private company and operates independently from government, it works collaboratively with several Canadian government departments and agencies. As well, pursuant to the Crossing Agreement signed by Canada and Michigan, WDBA also works closely with various state agencies and the Michigan Governor's Office.

***“There is no greater opportunity for WDBA than the Gordie Howe International Bridge...”***

Being an international project, there are considerations being taken into account when planning and constructing the Canadian and US POEs, the bridge and the Michigan Interchange. Did you know that the property acquisition process is different on both sides of the border and that Canada Border Services Agency (CBSA) and US Customs and Border Protection (CBP) have different requirements as regards to facilities?



What may seem to be a fairly easy decision to allow pedestrians and cyclists on the Gordie Howe International Bridge was in fact only made possible after considerable significant consultation with the community and with inspection agencies on both sides of the border.

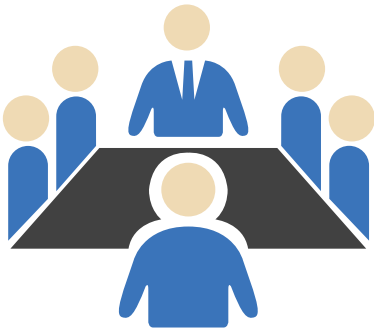
I am proud of the progress that has been made throughout the past year. Our accomplishments are a direct result of the dedication and many hours of hard work carried out by our employees, contractors, consultants and our Michigan partners. I would also like to acknowledge the important contributions of the WDBA Board of Directors and the International Authority.

WDBA is poised to begin construction of an iconic bridge which will literally change the landscape of the Windsor-Detroit region. Our project will benefit individuals, companies and organizations on both sides of the border and I look forward to the exciting years ahead.

A famous quote states “Success is where preparation and opportunity meet.”

There is no greater opportunity for WDBA than the Gordie Howe International Bridge and Fiscal Year 2016-2017 has been about preparing. Success is the certain outcome.

Michael Cautillo



WDBA is led by a **President and Chief Executive Officer** and governed by a **Board of Directors**.



The **International Authority** is a joint Canada-State of Michigan governance entity overseeing and monitoring compliance of WDBA with the Crossing Agreement signed by Canada and the State of Michigan.



WDBA is a not-for-profit **Canadian Crown corporation** which reports to Parliament through the Minister of Infrastructure and Communities.

# DID YOU KNOW?

## CORPORATE



WDBA is responsible for the management of the procurement process for the design, build, finance, operation and maintenance of the Gordie Howe International Bridge project through a **public-private partnership**.



The Gordie Howe International Bridge will be **publicly-owned** by the Government of Canada and the State of Michigan.



The **private-sector partner** will be selected through WDBA's two-stage procurement process.



The **State of Michigan** is WDBA's partner in the delivery of the Gordie Howe International Bridge project.



WDBA is **headquartered** in Windsor, Ontario.

# CORPORATE PROFILE



## BOARD OF DIRECTORS

WDBA is governed by a board of directors which is responsible for overseeing the business activities and other affairs of WDBA. The board is comprised of up to five members, including the President/Chief Executive Officer.

**Dwight Duncan**  
Chair

**Michael Cautillo**  
President and Chief Executive Officer

**Marie Campagna**  
Director

**André Juneau**  
Director

**Craig S. Rix**  
Director



(Front Row left to right) Michael Cautillo, Marie Campagna  
(Standing left to right) Dwight Duncan, André Juneau, Craig S. Rix

## INTERNATIONAL AUTHORITY

The International Authority is a joint Canada-Michigan governance entity established to oversee and approve key steps in the P3 procurement process for the Gordie Howe International Bridge. It is also responsible for monitoring compliance of WDBA with the Crossing Agreement signed by Canada and the State of Michigan.

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

**Kristine Burr** (appointed by Canada)  
Chair

**Eddie Francis** (appointed by Canada)  
Director

**Geneviève Gagnon** (appointed by Canada)  
Director

**Michael D. Hayes** (appointed by Michigan)  
Director

**Birgit M. Klohs** (appointed by Michigan)  
Director

**Matt Rizik** (appointed by Michigan)  
Director



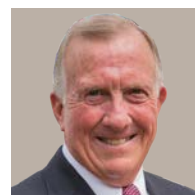
Kristine Burr



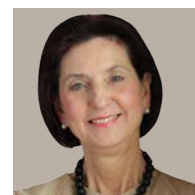
Eddie Francis



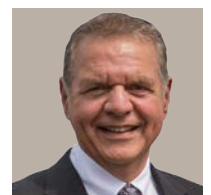
Geneviève Gagnon



Michael D. Hayes



Birgit M. Klohs



Matt Rizik



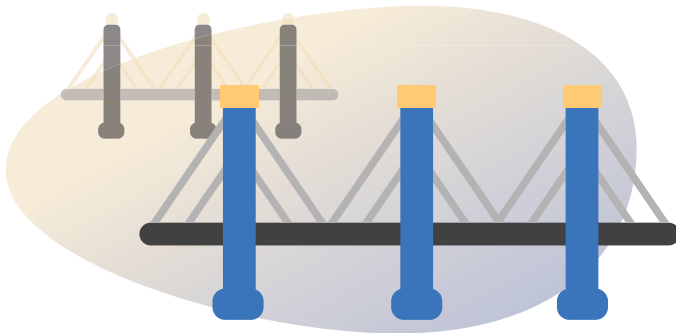
The private-sector partner will **design, build, finance, operate and maintain** the Gordie Howe International Bridge and adjacent Ports of Entry and design, build and finance the Michigan Interchange.



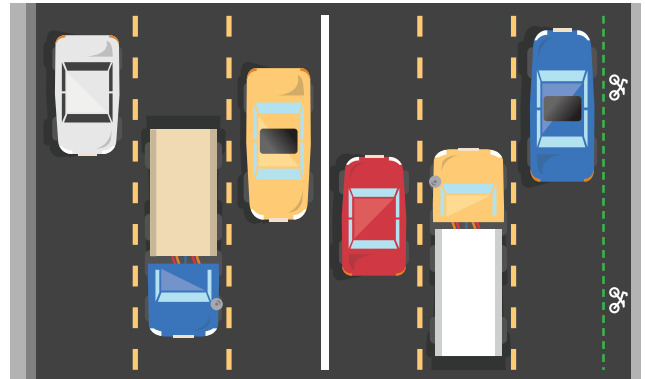
The new bridge will **significantly improve road-based transportation** in many key manufacturing sectors, such as the automotive industry, where just-in-time delivery is key to economic success.

# DID YOU KNOW?

## PROJECT



Once in service, the Gordie Howe International Bridge will provide a **much-needed crossing alternative** at the busiest Canada-US commercial border crossing.



The bridge will feature **six lanes** and a dedicated **multi-use path** for pedestrians and cyclists.



25% of total **Canada-US bilateral trade** crosses at the Windsor-Detroit border.



WDBA has mandated that a **comprehensive Community Benefits Plan** be formulated and delivered by the private-sector partner with stringent oversight by WDBA.



# BIKE OR HIKE ■ ■ ■



Travellers crossing the border at Windsor-Detroit will have new ways to travel – bike or hike.

On March 1, 2017, WDBA announced that a multi-use path will be included in the design for the Gordie Howe International Bridge.

This decision to include a pedestrian and bicycle lane is the result of public consultation and feedback from communities on both sides of the border and engagement with border agencies in Canada and the United States. Over 2016, WDBA worked with CBSA and CBP to determine processes and security concerns and worked with its engineering consultants to determine safety and design requirements.

## ***The multi-use path opens new business opportunities in cycle tourism for Windsor and Detroit.***

The final features of the path will be determined once a successful Proponent has been selected but it is anticipated that the multi-use path will be one lane that will accommodate two-way pedestrian and cyclist traffic and that pedestrians and cyclists will be separated from traffic by barriers.

The integration of a multi-use path is also environmentally responsible as it will contribute to the reduction of the carbon footprint for cross-border traffic. It will benefit communities by supporting active transportation and a healthy lifestyle.



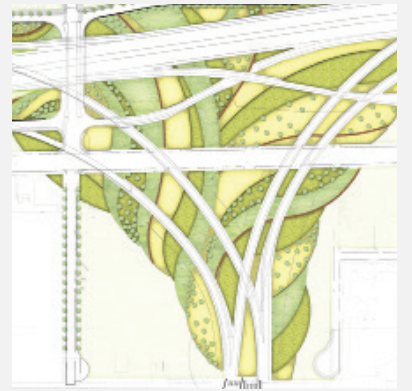
# Project Components ■ ■ ■



## There are four components to the Gordie Howe International Bridge project:

### The Michigan Interchange

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



### The US POE

- Size: approximately 68 hectare / 167 acre site
- Inbound border inspection facilities for both passenger and commercial vehicles
- Outbound inspection facilities
- Commercial exit control booths
- The footprint allows for the installation of further technology and the addition of expanded border processing facilities
- Once constructed, this port will be one of the largest ports of entry in North America



### The Bridge

- 6 lanes: 3 Canadian-bound, 3 US-bound
- Total length: approximately 2.5 kilometres / 1.5 miles
- Clear span of 850 metres / 0.53 miles with no piers in the water
- One approach bridge on each side of the crossing to connect POEs in Canada and the US
- A dedicated multi-use path that will accommodate pedestrians and cyclists
- Cable-stayed and suspension are the two possible bridge types
- Once complete, will be among the top five longest bridges in North America



### The Canadian POE

- Size: approximately 53 hectare / 130 acre site
- Inbound border inspection facilities for both passenger and commercial vehicles.
- Outbound inspection facilities
- Toll collection facilities for both the US-bound and Canada-bound traffic
- Maintenance facility
- The footprint allows for the installation of further technology and the addition of expanded border processing facilities
- Once constructed, this port will be the largest Canadian port along the Canada-US border and one of the largest anywhere in North America

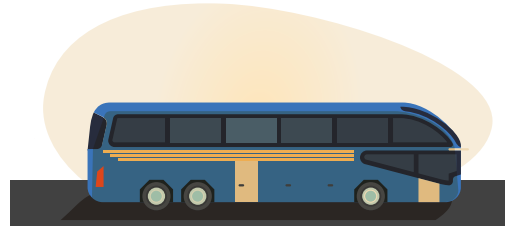


# DID YOU KNOW?

## PERFORMANCE



346 parcels of land were acquired on the US side of the project by the Michigan Department of Transportation through funds provided by WDBA.



During Fiscal Year 2016-2017, WDBA conducted 14 tours of the Canadian and US Ports of Entry, attended by more than 320 stakeholders.



As of March 31, 2017, over 500 people have received the required training to allow them to work on the construction site at the Canadian POE.



During Fiscal Year 2016-2017, WDBA organized 5 meetings to allow the region's companies and organizations to meet with the Proponents participating in the RFP stage. Almost 1,000 people attended the meetings.



The Request for Proposals, the second stage in the procurement process to select a private-sector partner for the Gordie Howe International Bridge project, was issued to the three Proponent teams on November 10, 2016.



On March 1, 2017, WDBA announced that the Gordie Howe International Bridge will include a dedicated multi-use path that will accommodate pedestrians and cyclists.



# PREPARATORY ACTIVITIES



Once constructed, the Canadian POE will be the largest Canadian port along the Canada-US border and the US POE will be one of the largest in North America.

WDBA continues to make significant progress in preparing the POE sites for the work to be undertaken by the private-sector partner to be identified through the ongoing P3 procurement process.

Preparatory activities under way or completed during Fiscal Year 2016-2017 on the Canadian site included grading, drainage, utility relocation and road construction.

A comprehensive stormwater management system has been designed to collect and treat run-off from hard surfaces such as roadways, parking lots and roofs at the Canadian POE before it is discharged into the Detroit River. The system includes 3.5 km of storm sewers, three stormwater management ponds and extensive enhancements to the municipally-owned Broadway Drain. The enhancements to the Broadway Drain are vital to the overall stormwater management system but were also designed to protect fish and the quality of fish habitat.

Installation of a new sanitary sewer system at the Canadian POE will connect to a new sanitary pumping station and ultimately to a waste treatment facility. The new sanitary system will service the new facilities to be built on the site as well as existing facilities on adjacent properties.

In January 2017, Hydro One, in partnership with WDBA, erected the last of three new electric transmission towers. These new towers replace nine which are no longer needed, because the cables they supported will now be placed underground.

Construction of the new four kilometre, two-lane perimeter access road (PAR) also continued during the fiscal year. The road will provide public access to private and public properties

adjacent to the Canadian POE and will also allow for the access for emergency services such as fire and police.

During Fiscal Year 2016-2017, preparatory activities on the US site included utility relocation, survey work and preliminary site investigation. The Michigan Department of Transportation (MDOT) also continued with property acquisition, demolition and site remediation.

***Preparatory activities are getting the sites ready for construction by WDBA's eventual private-sector partner.***



# STRATEGIC PRIORITIES

WDBA's strategic priorities for Fiscal Year 2016-2017 built on the accomplishments of the previous year's progress and include the following:

## ■ Strategic Priority:

Completing Early Works at the Canadian POE

## ■ Goal:

Completion of some preparatory activities (known as Early Works) at the Canadian POE include: construction of a four kilometre perimeter access road (PAR); the placement of fill, grading and the installation of drainage measures; and the relocation of utilities located inside the Canadian POE.

## ■ Successes:

- 2.1 kilometres of wildlife exclusion fencing were installed.
- 3 kilometres (3000 m) of the perimeter access road was completed.
- 8,200 truckloads of fill were placed (or 200,000 tonnes).
- 80% of stormwater drains were installed.
- The Broadway Drain was completed.
- A total of 59 additional utility poles were installed.
- A significant portion of EnWin work has been completed.
- EnWin pole relocations on Broadway Street and the perimeter access road were completed. Transition of the overhead cables near the main bridge will be relocated to underground in 2018.

## ■ Strategic Priority:

US Property Acquisition

## ■ Goal:

WDBA to continue working with MDOT as they continue to execute various property acquisition activities.

## ■ Successes:

- As of the end of Fiscal Year 2016-2017, 346 parcels of land, approximately 54% of the land required for the US components of the Gordie Howe International Bridge project, were under MDOT control.



## ■ Strategic Priority:

Finalizing the P3 Procurement Process

### ■ Goal:

Advance the P3 procurement process and issue the RFP to the three short-listed Proponent teams.

### ■ Successes:

- The RFP documents were released to the three Proponent teams on November 10, 2016. The RFP sets out the conditions and specifications required to undertake the project.
- The RFP Open Period began. The Open Period is the time during which the Proponents prepare their proposals and engage with WDBA through Commercially Confidential Meetings (CCM). CCMs provide the opportunity to ask questions, seek clarification and gather additional information to assist in preparation of the bid documents.
- In support of the procurement process, WDBA hosted several networking meetings to allow the Proponents to connect with the region's business and community agency representatives.
  - Business-to-Business meetings were held in late 2016 to allow the region's companies and organizations to meet with the Proponents for possible subcontracting opportunities. More than 500 Canadian and US businesses registered.
  - Community Group-to-Business meetings were held in March 2017 for community agencies and organizations to meet with the Proponents to share community benefit ideas. Approximately 100 non-profits and community agencies attended.



## ■ Strategic Priority:

Utility Relocation in Canada and the US

### ■ Goal:

WDBA to continue its work to safely relocate Hydro One and Union Gas utilities at the Canadian POE.

### ■ Successes:

- Hydro One, in partnership with WDBA, raised the last of three new transmission towers. The new towers replace nine towers which are no longer needed.
- The installation of 4.3 kilometres of new transmission and distribution natural gas pipeline were installed by Union Gas.

### ■ Goal:

Provide oversight and contribute to discussions with MDOT around utility relocation activities for the US POE site.

### ■ Successes:

- Regular meetings and workshops were held with utilities to facilitate planning and scheduling of relocation activities.
- A cost sharing agreement with DTE Energy was negotiated.
- Completed studies and analyses of sewerage and water usage and flows for the Detroit Water and Sewerage Department (DWSD).
- Utilities including AT&T lines at I-75 and underground assets for AT&T (communications) and ITC (electric transmission) were relocated.







# WDBA P3

**On November 10, 2016, WDBA announced the issuance of the Request for Proposals (RFP) inviting Proponents to submit formal proposals to design, build, finance, operate and maintain the Gordie Howe International Bridge project.**

The Gordie Howe International Bridge project will be delivered through a public-private partnership or a (P3).

## **What is a P3?**

A P3 is a co-operative venture between a public-sector entity and a private-sector partner for the provision of infrastructure or services. The partnership is built on the expertise of each partner that best meets clearly defined public needs, with the private sector assuming a major share of the risks in terms of financing, construction and maintenance.

## **Who is involved in the P3?**

A P3 is a co-operative venture between a public-sector entity (Windsor-Detroit Bridge Authority) and a private-sector partner (a consortium of companies with different areas of expertise).

## **Why use the P3 model?**

A P3 transfers a major share of the risk associated with the project (such as the costs associated with overruns, schedule delays, unexpected maintenance, and/or latent defects in the assets) to the private sector. As well, the private sector's expertise, efficiencies and innovation are utilized in delivering the project.

## **Where does the P3 partner come from?**

WDBA's Proponent teams are comprised of Canadian, American and international companies. Once selected, the private-sector partner will establish offices locally. It is anticipated that many local resources will be required from both Windsor-Essex and Detroit to deliver the project. In addition to jobs created during the construction phase, the new bridge will result in many permanent jobs for the future operation of the crossing.

## **When does the P3 partner start working?**

At the end of the P3 procurement process, a private-sector partner will be identified. This partner will start work immediately – setting up local offices, completing their design and engaging local contractors. They will construct the project according to the schedule included in their proposal. Once construction is completed, the private-sector partner will operate and maintain the POEs and bridge for 30 years.

# P3 Procurement Process

To select a private-sector partner to deliver the project components – the Canadian and US POEs, the bridge and the Michigan Interchange – WDBA is running a rigorous and fair procurement process. The procurement process is made of two main stages – the Request for Qualifications (RFQ) and the Request for Proposals (RFP). WDBA's procurement process is designed for WDBA to choose a private-sector partner with the skills, experiences and resources necessary to deliver the Gordie Howe International Bridge project.

## Request for Qualifications (RFQ)

The Request for Qualifications was issued on July 20, 2015. The purpose of the RFQ is to pre-qualify teams to deliver the Gordie Howe International Bridge project. RFQ submissions were evaluated on the respondents' demonstrated experience and qualifications to deliver and finance large and complex infrastructure projects. Three short-listed respondent teams were announced on January 20, 2016.

## Request for Proposals (RFP)

The issuance of the RFP to the Proponents was announced on November 10, 2016. The RFP sets out the conditions and specifications required to undertake the project. It is issued to only pre-qualified Proponents selected through the RFQ stage.

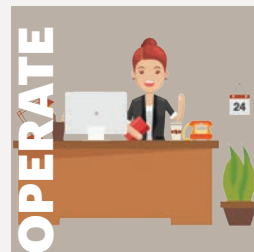
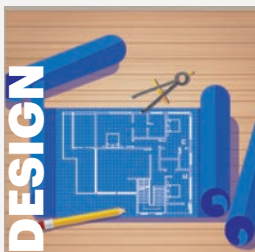
## Evaluation and Financial Close

The RFP submissions will be rigorously evaluated and a Preferred Proponent will be selected. Subject to reaching Financial Close and to appropriate approvals, this team will become WDBA's private-sector partner.



## Project Implementation

WDBA's private-sector partner will be responsible to design, build, finance, operate and maintain the Canadian and US Ports of Entry and the bridge and to design, build and finance the Michigan Interchange. Michigan will be responsible for the operations and maintenance of the Michigan Interchange.





# FINANCIAL MANAGEMENT DISCUSSION & ANALYSIS Outlook for 2017-2018



In the upcoming year, many of WDBA's Strategic Priorities from Fiscal Year 2016-2017 are carried into Fiscal Year 2017-2018. These priorities continue to move WDBA to fulfill its mandate – construction and operation of the Gordie Howe International Bridge project.

The Strategic Priorities for Fiscal Year 2017-2018 include:

## **Finalizing the P3 Procurement Process**

With the RFP issued to the Proponents, the RFP Open Period for the procurement of the Gordie Howe International Bridge project began in November 2016. Overall this stage is 18 months in duration, and during Fiscal Year 2017-2018, Proponents will continue in the process of preparing and submitting their proposals. Once the RFP proposals have been submitted (anticipated for fall 2017) they will be rigorously evaluated by both public- and private-sector experts.

## **US Property Acquisition**

Over the coming year, as in the previous fiscal year, Michigan will continue to execute various property acquisition activities. WDBA continues to work closely with MDOT to refine planning and timing around acquiring all properties required for the US components of the Gordie Howe International Bridge project and considerable work has been accomplished to date.

## **Preparatory Activities on Canadian POE**

Preparatory activities for the Canadian POE are being conducted in two phases. The first phase, known as the Early Works, will continue in Fiscal Year 2017-2018 with perimeter access road paving and the completion of a sanitary pump station.

The second phase focuses primarily on the relocation of Hydro One infrastructure at the Canadian POE, which is a complex network of high-voltage electrical distribution and transmission lines that will be relocated both underground and to new overhead locations.

## **Utility Relocation in Canada and the US**

Utility relocation in Canada during Fiscal Year 2017-2018 includes work with utilities located in the Canadian POE footprint, such as West Windsor Power.

In the US, the relocation of public and private utilities on and near the footprint of the US POE, will also continue to occur during Fiscal Year 2017-2018.

# 2016-2017 FINANCIAL RESULTS



## Overview

Fiscal Year 2016-2017 was the third year of operations for WDBA. During the year WDBA made significant progress on its key activities. This is reflected in the financial results, with increases in appropriations, expenses, assets and liabilities compared to the prior year.

In Fiscal Year 2016-2017, WDBA's activities were focused on the P3 procurement process and on advancing the following strategic priorities:

- US property acquisition
- Completing Early Works
- Utility relocation in Canada
- Utility relocation in Michigan

## Statement of Operations

### Overview

WDBA's level of activity increased significantly in Fiscal Year 2016-2017 over the prior year, with corresponding increases in appropriations and expenses. Michigan property acquisition and Canadian site preparation activities ramped up considerably in Fiscal Year 2016-2017 as WDBA worked to ensure that it would meet its obligations to the P3 partner upon completion of the procurement process.

### Appropriations

To support its activities, WDBA received \$354.3 million in appropriations, compared to \$133.5 million in the prior year and ended the year with a net surplus of \$300.6 million, compared to \$107.5 million in the prior year. The surplus is mostly due to the timing of appropriations and expenses on the acquisition of US properties and capital costs.

The increase in appropriations in Fiscal Year 2016-2017 is primarily due to the higher level of activity in the current year. The appropriations were used to fund anticipated property acquisition activities in Michigan, the Early Works, Canadian utility relocation, design and engineering cost and WDBA operations.

### Expenses

WDBA incurred \$34.0 million of direct expenses in Fiscal Year 2016-2017 in support of the project, compared to \$23.0 million in the prior year. The increase is primarily driven by costs of property acquisition and design and engineering activity in Michigan related to the I-75 interchange, which are expensed as incurred and insurance on the Michigan properties, pay and benefits, and property taxes.

## FINANCIAL RESULTS



Internal services costs reflect expenses to support the Gordie Howe International Bridge project, such as salaries and benefits of support staff, insurance and support of the International Authority. WDBA incurred \$6.3 million of internal services costs in Fiscal Year 2016-2017, compared to \$5.6 million in the prior year.

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

**(thousands of dollars)**

	2017	2016
Michigan Land	12,040	3,917
Legal Services	7,349	7,230
Payroll and Benefits	6,738	5,638
Professional Services	5,037	5,628
I-75 Costs	4,312	2,761
Insurance	1,288	250
Claim Settlements	882	1,192
Rent	619	636
Office and Maintenance	501	303
Property Taxes	429	-
Other	427	239
Transfers to International Authority	265	402
Amortization	233	216
Travel expenses	178	210
	<b>40,298</b>	<b>28,622</b>

As the I-75 interchange will be turned over to the State of Michigan upon completion of the project, all costs associated with the I-75 interchange are expensed as incurred. Michigan land costs relate to the acquisition of property in Michigan that will be primarily used for the I-75 interchange, or is needed for the associated local road improvements. I-75 costs are primarily for professional services related to design and engineering for the I-75 interchange. The increase in both Michigan land and I-75 costs is mainly the result of significantly higher property acquisition and design and engineering activities.

Payroll and benefits are higher due to higher staffing levels. At March 31, 2017, WDBA had 51 FTE's, compared to 40 at March 31, 2016. The increase in insurance costs is primarily due to the purchase of general liability and environmental insurance on the Michigan properties. Property taxes are paid to the City of Windsor; in Fiscal Year 2016-2017, WDBA assumed responsibility for the payment of property tax on the Canadian land.

The decrease in professional fees is driven primarily by a reduction in activity for WDBA's general engineering contractor, partially offset by an increase in the MDOT engineering and procurement activities.

Claim settlement expense represents the non-capitalized portion of the cost to settle contractor claims against WDBA.



Transfers to the International Authority (IA) represent WDBA's cost of supporting the IA as mandated in the Crossing Agreement. The main components of this cost are insurance, IA member retainer fees and per diems, board-related expenses and professional fees.

## Statement of Financial Position

### Overview

Funding of the escrow account for future property acquisitions, the Early Works on the Canadian lands, utility relocation, property acquisition and capitalized design and engineering costs have driven significant changes in the Statement of Financial Position compared to the prior year. The impact of these activities is reflected in increases in most line items in the statement.

### Net Financial Assets

At March 31, 2017, WDBA's net financial assets were \$227.2 million (\$48.2 million at March 31, 2016). Financial assets of \$291.9 million (\$81.3 million at March 31, 2016) were mostly made up of \$275.5 million in cash and \$16.3 million in accounts receivable (\$73.2 million and \$7.9 million at March 31, 2016), offset by \$64.7 million in liabilities (\$33.1 million at March 31, 2016).

At March 31, 2017, WDBA had \$9.8 million in its operating cash accounts, compared to \$44.5 million in the prior year. The decrease is due to the return of \$15 million of excess cash to the Government of Canada, which WDBA treated as a reimbursement of appropriations in its financial statements.

At March 31, 2017, WDBA had a restricted cash balance of \$265.7 million in an escrow account (\$28.7 million at March 31, 2016). The cash is held in a US dollar escrow account to fund US property acquisitions and other Michigan activities. WDBA is required to fund Michigan activities at the beginning of each quarter in the escrow account. The year-over-year increase is primarily due to higher anticipated property acquisitions in the upcoming fiscal year.

Accounts receivable consist mainly of recoverable HST. WDBA has finalized its HST status and is in the process of filing to recover its cost. 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 \$52.3 million at March 31, 2017, (\$27.7 million at March 31, 2016) included payables and accruals for Michigan activities, utility relocation, legal fees, engineering consulting services, and the Early Works. The increase is due largely to property acquisition in the State of Michigan and other Michigan activities.

Accrued employee benefits of \$0.8 million (\$0.6 million at March 31, 2016) represent accruals for employee bonuses and vacations. WDBA recorded an environmental liability of \$5.8 million at March 31, 2017 (\$2.0 million at March 31, 2016) to reflect the anticipated costs of remediating contaminated soil.

### Non-Financial Assets

WDBA held \$135.5 million of capital assets at March 31, 2017, compared to \$56.1 million at the end of the prior year. These consist primarily of costs incurred related to the Gordie Howe International Bridge project (Construction in Progress).





Construction in Progress (\$134.8 million at March 31, 2017 - \$55.3 million at March 31, 2016) includes costs related to the building of the bridge, and the Canadian and US POEs. Given that the project is still in its early stages, the majority of the capitalized costs related to the Early Works, professional services such as the general engineering consultant, and utility relocation.

The table below provides a breakdown of the Construction in Progress:  
**(thousands of dollars)**

	March 31, 2017	March 31, 2016
Bridge	36,286	15,667
Canadian Port of Entry	76,783	32,006
US Port of Entry	21,733	7,635
	<b>134,802</b>	<b>55,308</b>

Prepaid expenses of \$54.0 million (\$13.0 million at March 31, 2016) primarily consisted of costs related to the acquisition of land in Michigan (\$49.7 million at March 31, 2017 - \$12.7 million at March 31, 2016). Of this amount, \$30.9 million has been acquired by MDOT (\$12.7 million in 2015-2016) and \$18.8 million (\$0 in 2015-2016) relates to properties that MDOT is in the process of acquiring through the State of Michigan's eminent domain process. Prepaid expenses also include \$4.2 million of prepaid insurance (\$0.2 in 2015-2016) related mainly to the Michigan properties.

## 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 represent 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 aggregate Canadian Contributions paid as of March 31, 2017, is \$326.3 million (\$182.0 million as of March 31, 2016). The aggregate imputed cost on accrued as of March 31, 2017, is \$33.1 million (\$22.6 million as of March 31, 2016). These amounts are offset by aggregate revenue received of \$0.9 million as of March 31, 2017 (\$0.2 million as of March 31, 2016), for a balance of \$358.4 million in Unrecouped Canadian Contributions as of March 31, 2017 (\$204.4 million at March 31, 2016).

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

# FINANCIAL STATEMENTS



## WDBA Financial Statements for the year ended March 31, 2017 - Statement of Management Responsibility

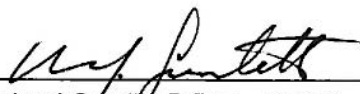
The accompanying financial statements of the Windsor-Detroit Bridge Authority (WDBA) are the responsibility of management. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and necessarily include some estimates, which are based on management's best judgements.

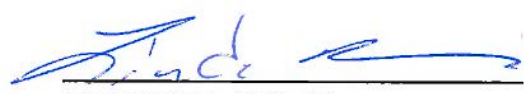
To meet management's responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the integrity and reliability of financial information, that 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 the Authority 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 also reviews and recommends to the Board the approval of the Authority's annual financial 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 financial statements and for issuing his report thereon.

  
\_\_\_\_\_  
Michael Cautito P.Eng., M.Eng.  
President and Chief Executive Officer

  
\_\_\_\_\_  
Linda Hurdle, CPA, CA  
Chief Financial and Administrative Officer

Windsor, Canada  
June 23, 2017



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister of Infrastructure and Communities

### Report on the Financial Statements

I have audited the accompanying financial statements of the Windsor-Detroit Bridge Authority, which comprise the statement of financial position as at 31 March 2017, and the statement of operations, statement of remeasurement gains and losses, statement of change in net financial assets and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Windsor-Detroit Bridge Authority as at 31 March 2017, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Windsor-Detroit Bridge Authority that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *International Bridges and Tunnels Act* and regulations, the by-law of the Windsor-Detroit Bridge Authority, and the directives issued pursuant to section 89 of the *Financial Administration Act*.



Etienne Matte, CPA, CA  
Principal  
for the Auditor General of Canada

23 June 2017  
Ottawa, Canada



# STATEMENT OF FINANCIAL POSITION




**Windsor-Detroit Bridge Authority**  
**Statement of Financial Position**  
**as at March 31**  
**(thousands of dollars)**

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash	9,842	44,531
Restricted cash (Note 3)	265,683	28,696
Accounts receivable	16,274	7,930
Deposits	134	101
<b>TOTAL FINANCIAL ASSETS</b>	<b>291,933</b>	<b>81,258</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	52,347	27,726
Accrued employee benefits	810	614
Environmental liability (Note 9)	5,840	2,037
Holdback (Note 6)	5,718	2,692
<b>TOTAL LIABILITIES</b>	<b>64,715</b>	<b>33,069</b>
<b>NET FINANCIAL ASSETS</b>	<b>227,218</b>	<b>48,189</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 4)	135,467	56,139
Prepaid expenses (Note 5)	54,008	12,985
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>189,475</b>	<b>69,124</b>
<b>ACCUMULATED SURPLUS</b>	<b>416,693</b>	<b>117,313</b>
Accumulated surplus is comprised of:		
Accumulated operating surplus	417,222	116,670
Accumulated remeasurement gains (losses)	(529)	643
	<b>416,693</b>	<b>117,313</b>

Commitments (Note 7) and Contingencies (Note 8)

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

Approved by the Board of Directors

  
 Dwight Duncan  
 Chair of the Board

  
 Marie Campagna  
 Chair of the Audit Committee



# STATEMENT OF OPERATIONS

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

	2017 Budget	2017 Actual	2016 Actual
REVENUE			
Interest	-	677	278
Foreign Exchange Gain	-	620	466
<b>TOTAL REVENUE</b>	-	<b>1,297</b>	744
EXPENSES (Note 10)			
Detroit River International Crossing	183,264	34,002	23,016
Internal services	8,921	6,296	5,606
<b>TOTAL EXPENSES</b>	192,185	<b>40,298</b>	28,622
<b>DEFICIT BEFORE GOVERNMENT FUNDING</b>	(192,185)	<b>(39,001)</b>	(27,878)
Government transfers - Appropriations	566,576	354,348	133,500
Reimbursement of Appropriations (Note 11)	-	(15,000)	-
Government transfers - Other	4,700	53	1,881
Government transfers - Recoveries	-	152	-
	571,276	339,553	135,381
<b>ANNUAL OPERATING SURPLUS</b>	379,091	<b>300,552</b>	107,503
<b>ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR</b>	94,475	<b>116,670</b>	9,167
<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>	473,566	<b>417,222</b>	116,670

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



# STATEMENT OF REMEASUREMENT GAINS & LOSSES



Windsor-Detroit Bridge Authority  
Statement of Remeasurement Gains and Losses  
for the year ended March 31  
(thousands of dollars)

	2017 Actual	2016 Actual
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	643	-
Unrealized gains (losses) attributable to:		
Foreign exchange	(552)	1,109
Amounts reclassified to the Statement of Operations:		
Foreign exchange	(620)	(466)
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR	(1,172)	643
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	(529)	643

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



# STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Windsor-Detroit Bridge Authority  
 Statement of Change in Net Financial Assets  
 for the year ended March 31  
 (thousands of dollars)

	2017 Budget	2017 Actual	2016 Actual
ANNUAL OPERATING SURPLUS (DEFICIT)	379,091	<b>300,552</b>	107,503
Acquisition of tangible capital assets	(256,598)	<b>(79,561)</b>	(50,557)
Amortization of tangible capital assets	207	<b>233</b>	216
	122,700	<b>221,224</b>	57,162
Additions to prepaid expenses	2,491	<b>(43,012)</b>	(10,548)
Use of prepaid expenses	-	<b>1,989</b>	258
	<b>2,491</b>	<b>(41,023)</b>	(10,290)
Net remeasurement gains and (losses) for the year	-	<b>(1,172)</b>	643
INCREASE IN NET FINANCIAL ASSETS	125,191	<b>179,029</b>	47,515
NET FINANCIAL ASSETS, BEGINNING OF YEAR	25,845	<b>48,189</b>	674
NET FINANCIAL ASSETS, END OF YEAR	151,036	<b>227,218</b>	48,189

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



# STATEMENT OF CASH FLOW



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

	2017	2016
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		
Annual operating surplus (deficit)	300,552	107,503
Adjustments for non-cash items		
Amortization of tangible capital assets	233	216
Contributed capital assets	-	(1,454)
Changes in non-cash working capital items		
Increase in accounts receivable	(8,344)	(5,130)
Increase in deposits	(33)	(52)
Increase in accounts payable and accrued liabilities (Note 4)	22,634	13,369
Increase in accrued employee benefits	196	614
Increase in environmental liability (Note 4)	705	2,037
Increase in holdback	3,026	2,692
Increase in prepaid expenses	(41,023)	(10,290)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>277,946</b>	<b>109,505</b>
<b>CASH FLOW FROM CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets (Note 4)	(75,138)	(36,614)
<b>NET CASH APPLIED TO CAPITAL ACTIVITIES</b>	<b>(75,138)</b>	<b>(36,614)</b>
EFFECT OF EXCHANGE RATE CHANGE ON CASH	(510)	174
<b>NET INCREASE IN CASH</b>	<b>202,298</b>	<b>73,065</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>73,227</b>	<b>162</b>
<b>CASH, END OF YEAR</b>	<b>275,525</b>	<b>73,227</b>
<b>Cash is composed of:</b>		
Cash	9,842	44,531
Restricted cash	265,683	28,696
	<b>275,525</b>	<b>73,227</b>

*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 (FAA)* and is not subject to income tax under the provisions of the *Income Tax Act*.

WDBA was established in accordance with the Crossing Agreement signed by the Government of Canada and the State of Michigan on June 15, 2012. The mandate of WDBA is to design, construct, finance, operate and maintain a new international crossing between Windsor, Ontario and Detroit, Michigan. In the early stages of the 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 Agreement with respect to the Gordie Howe International Bridge 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 Agreement.

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

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

By Order in Council P.C. 2014-1382 dated December 10, 2014, the Corporation 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.

The Corporation is in the process of phasing in these changes by the required dates.

In July 2015, the Corporation 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 this directive in the Corporation's next 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 23, 2017.

## 2. Significant Accounting Policies

### a. Basis of Accounting

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

### b. 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.

### c. Government Transfers – Other

Costs incurred by the Government of Canada to support WDBA that would otherwise have been incurred by WDBA are recognized in the financial statements of WDBA at the carrying amount. These costs are reported as Government Transfers - Other, and expensed or capitalized as contributions to tangible capital assets depending on their nature.

### d. Government Transfers – Recoveries

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

### e. Cash and Restricted Cash

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

### f. Deposits

Deposits with other entities are recorded and carried at cost.

#### **g. 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.

#### **h. Accounts Payable**

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

#### **i. Prepaid Expenses**

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

Payments made to the State of Michigan to fund the purchase of land for the Gordie Howe International Bridge project and that will be leased or licensed back to WDBA are recorded as prepaid expenses. Payments made to purchase land that will not be leased or licensed back to WDBA, but will remain the responsibility of the State of Michigan, are expensed as incurred.

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

#### **j. 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.

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:

Leasehold improvements	between 3 and 7 years
Office equipment and furniture	between 3 and 10 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.



## k. Environmental Obligations

Whenever WDBA accepts responsibility or has direct responsibility for sites where contamination exceeds environmental standards, plans to abandon future economic benefits to that effect 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, 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 the present value of the estimated cash flows of 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 economic benefits will be given up, the situation will be disclosed through a note to the Financial Statements.

## l. 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 or fail 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

## m. 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.

## n. Pension and Benefit Plans

WDBA offers defined contribution pension and benefit plans to its employees; expenses related to these plans are recognized in the period in which they are incurred.

## o. Financial Instruments

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

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

<b>Categories</b>	<b>Financial instruments</b>	<b>Measurement</b>
Financial assets	Cash Restricted cash Deposits	Cost or amortized cost
Financial liabilities	Accounts payable and accrued liabilities Holdback	Cost or amortized cost

## p. Foreign Currency Translation

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

## q. 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 amount of GST/HST recoverable, the estimated useful life of tangible capital assets, accrued liabilities, environmental liabilities, and contingencies are the most significant items where estimates are used. Actual results could differ significantly from those estimates.

### 3. Restricted Cash

Restricted cash consists of funds deposited into an escrow account. The cash in the escrow account is used to fund the Gordie Howe International Bridge 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, or MSF) and other project activities in Michigan. The escrow account is funded by WDBA on a quarterly basis.

### 4. Tangible Capital Assets

(thousands of dollars)

	Leasehold Improvements	Computer and Office Equipment	Construction in Progress	Total
<b>Cost</b>				
April 1, 2015	702	225	4,894	5,821
Acquisitions	67	53	48,983	49,103
Contributions	-	-	1,454	1,454
Transfers	23	-	(23)	-
<b>March 31, 2016</b>	<b>792</b>	<b>278</b>	<b>55,308</b>	<b>56,378</b>
April 1, 2016	792	278	55,308	56,378
Acquisitions	18	49	79,494	79,561
<b>March 31, 2017</b>	<b>810</b>	<b>327</b>	<b>134,802</b>	<b>135,939</b>
<b>Accumulated Amortization</b>				
April 1, 2015	15	8	-	23
Amortization	129	87	-	216
<b>March 31, 2016</b>	<b>144</b>	<b>95</b>	<b>-</b>	<b>239</b>
April 1, 2016	144	95	-	239
Amortization	133	100	-	233
<b>March 31, 2017</b>	<b>277</b>	<b>195</b>	<b>-</b>	<b>472</b>
<b>Net Book Value</b>				
March 31, 2016	648	183	55,308	56,139
March 31, 2017	<b>533</b>	<b>132</b>	<b>134,802</b>	<b>135,467</b>



The additions of tangible capital assets and the increase in accounts payables and accrued liabilities presented in the Statement of Cash Flows excludes an amount of \$18,232 (2016 – \$13,809) in relation to the acquisition of tangible capital assets, as the amount relates to capital activities in 2016-17 that remain to be paid as at March 31, 2017.

## 5. Prepaid Expenses

(thousands of dollars)

	2017	2016
Michigan Land Acquisitions	30,929	12,722
Michigan Land Acquisitions through Condemnation	18,773	-
Prepaid Insurance	4,216	201
Other	90	62
	<b>54,008</b>	<b>12,985</b>

The Michigan Land acquisition is related to payments made to the State of Michigan to fund the purchase of land for the Gordie Howe International Bridge project that will be leased or licensed back to WDBA for the life of the bridge. Payments made to purchase land that will not be leased or licensed back to WDBA were expensed in Michigan Land (Note 10).

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

## 6. Holdback

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

## 7. Commitments

WDBA has commitments, principally for professional fees, rental agreements, bridge construction, and IT/Communications for amounts totaling \$384.6M (2016 - \$143.9M). Some professional fees 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	Bridge Construction	IT/ Communications	Total
2018	5,068	553	266,657	245	272,523
2019	1,362	433	79,255	-	81,050
2020	170	407	26,204	-	26,781
2021	140	327	2,402	-	2,869
2022	57	155	1,117	-	1,329
2023 and thereafter	5	-	-	-	5
	6,802	1,875	375,635	245	384,557

## 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, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense is recorded in the financial statements. It is the opinion of management that the settlement of such matters will not result in any material liabilities to WDBA for the year ended March 31, 2017.

## 9. Environmental Liability

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

WDBA is responsible for the land required for the Gordie Howe International Bridge project. In Canada, this consists of land currently owned by the Government of Canada in Windsor, Ontario. 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 to remediate the contamination; remediation will be performed as part of the activities to prepare the site for the construction of the Gordie Howe International Bridge.

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 \$3,250, (\$2,037 for 2016), and \$2,590 for the Michigan land, (\$0 for 2016) for a total of \$5,840 (\$2,037 for 2016).

This amount was recorded as an environmental liability in the Statement of Financial Position. Of this amount, \$5,135 was capitalized to the cost of the project, and \$705 relating to land that will not be leased or licensed back to WDBA, but will remain the responsibility of the State of Michigan, was expensed.



## 10. Expenses by Type

(thousands of dollars)

	2017	2016
Michigan Land	12,040	3,917
Legal Services	7,349	7,230
Payroll and Benefits	6,738	5,638
Professional Services	5,037	5,628
I-75 Costs	4,312	2,761
Insurance	1,288	250
Claim Settlements	882	1,192
Rent	619	636
Office and Maintenance	501	303
Property Taxes	429	-
Other	427	239
Transfers to International Authority	265	402
Amortization	233	216
Travel expenses	178	210
	<b>40,298</b>	<b>28,622</b>

## 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. These transactions are measured at the exchange amount. During the year, WDBA incurred expenses totaling \$405 (\$778 – 2016), and recorded government funding of \$354,348 (\$133,500 – 2016). At March 31, 2017, WDBA recorded \$16,182 (\$7,892 – 2016) in accounts receivable with related parties, and accounts payable \$1 (\$0 – 2016).

During the year, the Government of Canada requested that WDBA reimburse \$15,000 of appropriations (\$0- 2016) it had already received, but not drawn, as actual expenditures were lower than estimated. This reimbursement occurred prior to year-end.

Certain activities were undertaken by the Government of Canada to support WDBA. WDBA recognized these support costs as revenue at the carrying amount. The costs of these activities were not recovered from WDBA by the Government of Canada. During the year, WDBA recognized \$53 (\$1,881 – 2016), of which \$53 (\$427 – 2016) was recognized as expense, and \$0 (\$1,454 – 2016) was capitalized as contributed assets.

WDBA recovered costs of \$152 from the Government of Canada for environmental remediation performed by WDBA on a portion of a required parcel of land that will be retained by the Government of Canada.

Other related parties of WDBA include its senior management personnel and Board of Directors.

WDBA also receives services without charge, such as financial statement audits.

## 12. Financial Instruments

### a. Fair Value

The carrying value of WDBA's financial instruments 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. WDBA is subject to credit risk on cash. 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 at March 31 is as follows:

(thousands of dollars)

	2017	2016
Cash	9,842	44,531
Restricted Cash	265,683	28,696
Deposits	134	101
	<b>275,659</b>	<b>73,328</b>

The credit risk associated with cash and restricted cash is reduced substantially by ensuring that cash and restricted cash are held in WDBA's bank accounts.

### 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.

None of WDBA's liabilities are interest-bearing, and none of the liabilities are payable on demand.

The maturities of the Corporation'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
Accounts payable and accrued liabilities	52,347			52,347
Holdback	5,718			5,718
	<b>58,065</b>	-	-	<b>58,065</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 \$1,584 (2016 - \$471).

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, 2017 would have a net impact of approximately \$2,190 (\$200 at March 31, 2016).

## 13. Benefit Plans

WDBA offers three benefit plans to its employees, a pension plan, a group benefit plan, and a Supplementary Executive Retirement Plan (SERP). The pension plan is a defined contribution plan. Under the group benefit plan WDBA pays the premiums for certain benefits; the remainder are paid by the employee. The SERP is a defined contribution notional plan. The expense recognized for each plan is disclosed in the table below:

**(thousands of dollars)**

	2017	2016
Pension plan	348	305
Group benefit plan	293	217
Supplementary Executive Retirement Plan	42	-
	<b>683</b>	<b>522</b>

### a. Pension Plan

WDBA defined contribution pension plan is a registered pension plan where contribution amounts are pre-determined and the benefit received at retirement depends on the amount of contributions accumulated, the earnings on the contributions, the type of pension benefit chosen, the age of the retiring plan member, and the prevailing interest rate at the time of retirement. Membership in the plan is compulsory; employees must join immediately upon becoming eligible for membership.

Employee and WDBA contributions are dependent on whether the employee is classified as an executive employee or a regular employee. Executive employees are required to make basic contributions equal to 6% of their base earnings; WDBA is required to contribute 12% of the executive employees' base earnings. Regular 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 regular employees' base earnings, and to match optional contributions up to a maximum of 4% of regular employees' base earnings.

The pension plan was established effective January 1, 2015. There were no significant changes to the plan during the year.



## b. Group Benefit Plan

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

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

The group benefit plan is substantially the same for both executive and regular 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 regular employees.

The group benefit plan was established effective January 1, 2015. There were no significant changes to the plan during the year.

## c. Supplementary Executive Retirement Plan

WDBA Supplementary Executive Retirement Plan (SERP) is a defined contribution notional plan where contribution amounts are pre-determined and the benefit received at retirement depends on the amount of contributions accumulated, the earnings on the contributions, the type of investment chosen and the prevailing interest rate at the time of retirement. Membership in the plan is restricted to executive employees. Membership in the plan is compulsory; employees must join immediately upon becoming eligible for membership.

WDBA is required to make notional contributions of 12% of the executive employees' base earnings, and 12% of the bonus for the CEO. Executive employees are not required or permitted to contribute to the SERP.

The SERP was established by WDBA effective January 1, 2015.

## 14. Comparative Figures

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

## 15. Subsequent Events

Subsequent to the financial statement date of March 31, 2017, WDBA entered into a ground lease with the Government of Canada as represented by the Minister of Infrastructure, Communities and Intergovernmental Affairs. The lease arrangement, which was signed on June 21, 2017, relates to the Canadian lands on which the Gordie Howe International Bridge will be constructed. Based upon the terms and conditions of the lease, WDBA will lease the Canadian lands from the commencement date to the termination of the term of the Crossing Agreement (the "Term"), in exchange for the Minimum Rent of One Dollar (\$1.00) for the entire Term, plus any and all sums, costs, expenses or other amounts from time to time as and when the same shall be due and payable pursuant to the provisions of the lease. Since the lease agreement was entered into after fiscal year end, an estimate of its potential impact on WDBA financial statement cannot be currently made.



### 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, 2017

## 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 Windsor-Detroit Bridge Authority (WDBA).

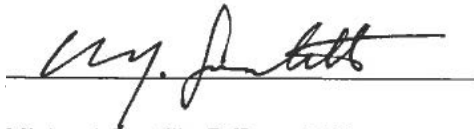
The Statements have been prepared using the basis of accounting described in Note 2.

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.



Michael Cautillo P.Eng., M.Eng.  
President and Chief Executive Officer



Linda Hurdle, CPA, CA  
Chief Financial and Administrative Officer

Windsor, Canada  
June 23, 2017





Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister of Infrastructure and Communities

I have audited the accompanying statement of Canadian Contributions and statement of Unrecouped Canadian Contributions of the Windsor-Detroit Bridge Authority for the period ended 31 March 2017 ("the statements"). The statements have been prepared by management using the basis of accounting described in Note 2 to the statements.

### *Management's Responsibility for the Statements*

Management is responsible for the preparation of the statements in accordance with the basis of accounting described in Note 2 to the statements, 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.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the statement of Canadian Contributions and statement of Unrecouped Canadian Contributions of the Windsor-Detroit Bridge Authority for the period ended 31 March 2017 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the statements.

### *Basis of Accounting*

Without modifying my opinion, I draw attention to Note 2 to the statements, which describes the basis of accounting. The statements are prepared to assist the Windsor-Detroit Bridge Authority to comply with the financial reporting provisions of the Crossing Agreement. As a result, the statements may not be suitable for another purpose.

Etienne Matte, CPA, CA  
Principal  
for the Auditor General of Canada

23 June 2017  
Ottawa, Canada



# STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

## Statement of Canadian Contributions and Statement of Unrecouped Canadian Contributions

For the period ended March 31

(thousands of Canadian dollars)

	2017	2016
<b>Canadian Contributions:</b>		
Opening balance (note 4)	181,993	83,285
Canadian Contributions for the year	144,265	98,708
<b>Aggregate Canadian Contributions</b>	<b>326,258</b>	181,993
<b>Imputed Cost of Unrecouped Canadian Contributions:</b>		
Opening balance (note 4)	22,637	16,696
Imputed Cost for the year	10,460	5,941
<b>Aggregate Imputed Cost</b>	<b>33,097</b>	22,637
<b>Crossing Authority Revenue:</b>		
Opening balance	(237)	-
Crossing Authority Revenue for the year	(636)	(237)
<b>Aggregate Crossing Authority Revenue</b>	<b>(873)</b>	(237)
<b>Total Unrecouped Canadian Contributions</b>	<b>358,482</b>	204,393



# 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 (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.

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

## 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.



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



## **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.



# COMMUNITY CONNECTIONS



*WDBA will continue to meet and listen to its stakeholders and continue developing partnerships as we build the bridge to the future together.*

WDBA is proud to be part of the Windsor-Detroit region and of our partnership with communities on both sides of the border. We are committed to the region's economic success and working with businesses, educational institutions and community groups to help them realize regional economic and community development opportunities.

During Fiscal Year 2016-2017, WDBA met with more than 70 Canadian and US companies, community agencies and social service organizations, school boards and post-secondary institutions on a monthly or quarterly basis to identify ways it can participate in economic and social development.

These meetings have led to fruitful partnerships with WorkForce Windsor-Essex in identifying potential job opportunities relating to the build and operation of the new crossing. They also led to partnerships with the University of Windsor engineering and visual arts faculties where students in a variety of disciplines were challenged to think of the new crossing in creative yet technically sound perspectives. WDBA also participated in the Construction Science Expo in Detroit to promote careers in trades to more than 200 elementary school children.

In November 2016, WDBA announced a \$1 million contract with the Cross-Border Institute at the University of Windsor, in partnership with Michigan State University's Canadian Studies Center, to undertake an economic impact and opportunities study of the Gordie Howe International Bridge project.



**1500** stakeholders  
attended WDBA  
meetings and events

Delivered **20**  
presentations  
reaching thousands

Responded to **230**  
public inquiries

Launched **1<sup>st</sup>** United  
Way campaign

# IN CASE YOU MISSED IT

WDBA is engaging the community and its stakeholders as it works to build the Gordie Howe International Bridge project. There are many ways to stay connected with us. We encourage open dialogue and will work to answer your questions.



Follow us  
@wdbabridge



Like us at  
@wdbabridge



Follow us at  
@windsordetroitbridgeauthority



Connect with us at  
WDBA-APWD



Subscribe to our channel  
WDBA-APWD

## WDBA Website

Our website, [wdbridge.com](http://wdbridge.com), is your main source for up-to-date information on construction activities, news, P3 procurement process, employment opportunities and corporate reports.



## Join the Email list

Join our electronic mailing list by visiting our website and receive up-to-date information delivered right to your inbox.



## Public Inquiries

Have a question about the project? Not only can you message us through social media, you can call us at 519-946-3038 or email us at [info@wdbridge.com](mailto:info@wdbridge.com).



## Our Office

WDBA's office provides a place where you can find information, talk to the team, ask questions and provide feedback. Our offices are located at:  
100 Ouellette Avenue  
Suite 400  
Windsor, ON  
N9A 6T3



## Construction Notices

Stay up-to-date on Canadian and US construction activities through our weekly construction notices posted at [wdbridge.com](http://wdbridge.com).



## Kid Construction Zone

Building a new border crossing is serious work but it is cool too. WDBA's Kid Construction Zone page, available on [wdbridge.com](http://wdbridge.com), is filled with material about the Gordie Howe International Bridge project that will interest both the young and the young at heart. This page will be updated with more fun as our project progresses so visit often.

