

ANNUAL REPORT 2014 - 2015

**WDBA**  **APWD**

WINDSOR-DETROIT BRIDGE AUTHORITY | AUTORITÉ DU PONT WINDSOR-DETROIT

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# WDBA GREETINGS

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I am honoured to have been asked by the Government of Canada to serve as Interim Chair of the Board of Directors for Windsor-Detroit Bridge Authority (WDBA), effective January 1, 2016.

As a Canadian Crown corporation, WDBA reports to Parliament through the Minister of Infrastructure and Communities and was created to manage the public-private partnership (P3) procurement process for the Gordie Howe International Bridge and provide oversight.

The Windsor-Detroit gateway is Canada's busiest land border crossing. Almost 30 per cent of all goods carried by truck between Canada and the United States cross at Windsor-Detroit. The new Gordie Howe International Bridge will facilitate the movement of people, goods and services by ensuring there is sufficient border crossing capacity to handle projected growth in cross-border trade and traffic in this vital bi-national corridor.

It will also provide a much-needed crossing alternative, create thousands of construction jobs and long-term employment opportunities on both sides of the border, and support national security and public safety priorities in Canada and the United States.

I want to take this opportunity to thank the WDBA Board of Directors, Mr. Michael Cautillo, Mr. William Graham, Ms. Caroline Mulroney Lapham, Mr. Craig Rix and our past Chair, Mr. Mark McQueen, for their work in seeing the organization through its initial days. I commend them for their effort and proficiency in launching the organization and the procurement process to secure a P3 partner.

For the WDBA Board, our focus is on the immediate priority of completing the procurement process to select a private-sector partner to deliver the Gordie Howe International Bridge. From the Board's perspective, this phase will involve overseeing WDBA's operations and providing strategic insight and guidance through a governance system that includes the policies, procedures, internal controls, and risk management measures necessary to instill stakeholder confidence, enabling the Corporation to deliver the greatest value to the public and to Canadian taxpayers.

The WDBA Board looks forward to working with the WDBA senior management team as we advance the Corporation's mandate while maintaining accountability and transparency, an outstanding corporate reputation, and the highest level of public confidence. Together we shall build the bridge to our future.

Dwight Duncan



Windsor-Detroit Bridge Authority (WDBA) was created in October 2012, with staffing and operations beginning in August 2014.

In August 2014, I was appointed as President and CEO of WDBA and became WDBA's first employee. The challenge was to not only advance the project but, as well, to establish WDBA as a Crown corporation.

With these goals in mind, during its first year of operations in 2014-2015, WDBA was driven by two parallel strategic priorities: to transition and operationalize the corporation and build its capacity; and to undertake pre-procurement activities enabling WDBA to move toward launching the public-private partnership (P3) procurement to build the Gordie Howe International Bridge.

WDBA first developed a staffing strategy, taking into account need and urgency and, by the end of the fiscal year, March 31, 2015, had hired 10 full-time employees. Policies, including those required to manage human resources, were also developed. A pension and benefits package was secured and financial controls put into place. WDBA acquired computers, office equipment, furnishings and moved into its permanent office space in Windsor.

WDBA also contracted key external advisors, including a P3 Financial and Transaction Advisor, Capital Markets Advisor, P3 Legal Advisor, and a P3 Fairness Monitor. Of particular note, the corporation awarded a contract for a General Engineering Consultant (GEC), one of the largest technical services contracts that WDBA will issue. The GEC provides a range of professional engineering services to prepare for the P3 procurement process. The work includes project management, engineering studies, technical design, utility relocation, and development of the specifications for all components of the project on both sides of the border.

To launch the P3 procurement process in fiscal 2015-2016, WDBA built on the Government of Canada's work and undertook a wide range of key pre-procurement activities. These activities included starting a Right-of-Way Plan so Michigan could proceed with land acquisition and also site preparation at the Canadian Port of Entry. It also started work on drafting the framework necessary for the Early Works contract to be awarded in fiscal 2015-2016.

Many of these preparatory tasks were overseen by the International Authority (IA), a joint Canada-Michigan governance entity established to oversee key steps in

the P3 process and to ensure WDBA's compliance with the Crossing Agreement. The IA will continue to play a significant role in our activities moving forward.

Two significant announcements in fiscal 2014-2015 allowed WDBA to move forward. In November 2014, Canada announced the final appointments to the WDBA Board of Directors and the International Authority. In February 2015, the governments of Canada, the United States and Michigan announced the signing of an Arrangement regarding the funding of the US Port of Entry (POE). Under the terms of the Arrangement, the US POE will be procured as part of the broader P3 project to design, construct, finance, operate and maintain the project. The cost of the entire project will be repaid from future toll revenues.

In the upcoming year, WDBA will continue to advance its priorities. Much work is yet to be done, but I am confident that with the dedication of WDBA staff, our partners, external advisors and contractors and with the guidance of the WDBA Board of Directors and the International Authority, we will deliver the Gordie Howe International Bridge project.

Michael Cautillo





# Creation of Windsor-Detroit Bridge Authority

Canadian Federal Budget 2007 announced that the Government of Canada would create a new public entity that would manage the new international crossing over the Detroit River between Windsor, Ontario and Detroit, Michigan.

The Canada-Michigan Crossing Agreement, signed in June 2012, calls for a Crossing Authority to be established by Canada to design, construct, finance, operate and maintain the new international crossing, with funding approved by Canada, but with no funding by the Michigan parties.

Established on October 9, 2012, by Letters Patent pursuant to the *International Bridges and Tunnels Act (IBTA)*, Windsor-Detroit Bridge Authority (WDBA) is responsible for carrying out the obligations of the Crossing Authority as a party to the 2012 Canada-Michigan Crossing Agreement.

WDBA is a Canadian Crown corporation and is the body that will deliver the Gordie Howe International Bridge project. The advantage of the Crown corporation is two-fold. First, being a Crown corporation, which operates at arm's length from the Government, WDBA has greater flexibility and efficiency to implement its mandate. Second, it is able to operate in a commercial environment and at a level playing field with other private parties that carry out the same type of business.

Although it is important for WDBA to be able to compete in a commercial environment, it still has a public policy role to fulfill and it is subject to the reporting requirements for Crown corporations under Part X of the *Financial Administration Act (FAA)*.

## Mission

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

## WDBA Board of Directors

WDBA is accountable to Parliament through the Minister responsible for WDBA<sup>1</sup>. As a Crown corporation, it is subject to the Crown corporation governance regime established under Part X of the *FAA* which establishes the duties and responsibilities of the WDBA Board.

The WDBA Board is comprised of five directors including the Chairperson and the President/CEO. Each of these positions is appointed by the Governor-in-Council on the recommendation of the Minister responsible for WDBA.

The WDBA Board is accountable for the stewardship and oversight of the corporation. The President and CEO is accountable to the WDBA Board for the day-to-day management and performance of the Corporation and supports the WDBA Board in its oversight role.

## International Authority

The International Authority (IA) 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 including items such as Michigan land acquisition. It is also responsible for monitoring compliance of WDBA with the Crossing Agreement signed by Canada and Michigan.

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

<sup>1</sup> For fiscal year 2014-2015, the Minister of Transport, Infrastructure and Communities was responsible for WDBA.

### WDBA Board Members

Mark McQueen  
Chair  
(August 2014 – December 2015)

Michael Cautillo  
President and CEO

William Graham  
Director

Caroline Mulroney Lapham  
Director

Craig S. Rix  
Director

*Please refer to the Annexes for biographies of the WDBA Board*

### International Authority Members

Kristine Burr (appointed by Canada)  
Chair

Eddie Francis (appointed by WDBA)  
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

*Please refer to the Annexes for biographies of the IA members*

# Governance

WDBA is a non-agent parent Crown corporation and is governed by the following legislation:

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

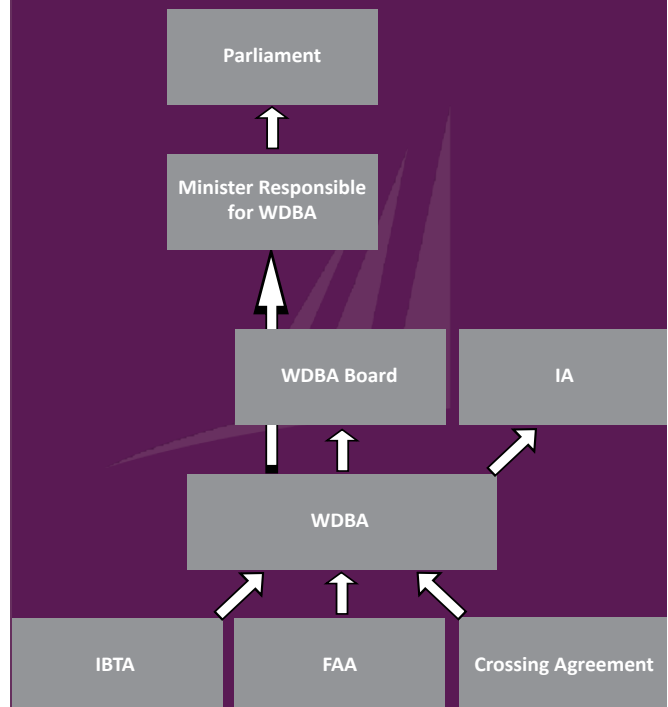
The WDBA Board has been building a strong foundation for sound corporate governance and, in Fiscal 2014-2015, established several key committees and panels, including:

**Audit Committee:** As required by Section 148 of the *FAA*, the Audit Committee is responsible to ensure transparent and accurate reporting of financial information; effective risk management practices; internal control; and the corporation's standards of integrity and behavior. While the Auditor General of Canada is the corporation's external auditor, the Audit Committee oversees WDBA's internal audit function.

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

**Capital Markets Advisory Panel:** The Capital Markets Advisory Panel has been established to provide independent counsel to the WDBA Board relating to the financing strategy associated with the Gordie Howe International Bridge project and to review the financing and strategic opportunities available in the current P3 marketplace.

## Governance Structure



## Public Policy Purpose and Objective

The Gordie Howe International Bridge project's importance as a critical piece of infrastructure is highlighted by the fact that the Windsor-Detroit trade corridor is the busiest commercial land crossing between Canada and the United States handling almost 30 per cent of all Canada-U.S. trade carried by truck. Once in service, the new bridge will offer an efficient and secure corridor which will benefit the shared economies of Canada and the United States.

The goal of the Gordie Howe International Bridge, as identified during the Detroit River International Crossing (DRIC) study, is to provide a safe, efficient and secure end-to-end border crossing system directly connecting Highway 401 in Windsor and Interstate 75 in Detroit.

The project will address four key regional transportation and mobility needs:

- provide new border crossing capacity to meet increased long-term travel demand;
- improve system connectivity to enhance the continuous flow of people and goods;
- improve operations and processing capabilities at the border; and
- provide reasonable and secure crossing options (i.e. network redundancy).

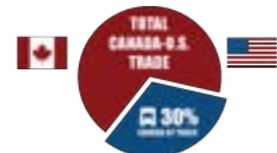
**Windsor-Detroit is the busiest commercial land border crossing on Canada-U.S. border and one of busiest in North America:**



WINDSOR-DETROIT CONSISTS OF **FOUR CROSSINGS**



**CANADA-U.S. TRADE**



Windsor-Detroit Crossing

**25%**

Total Canada-U.S. trade



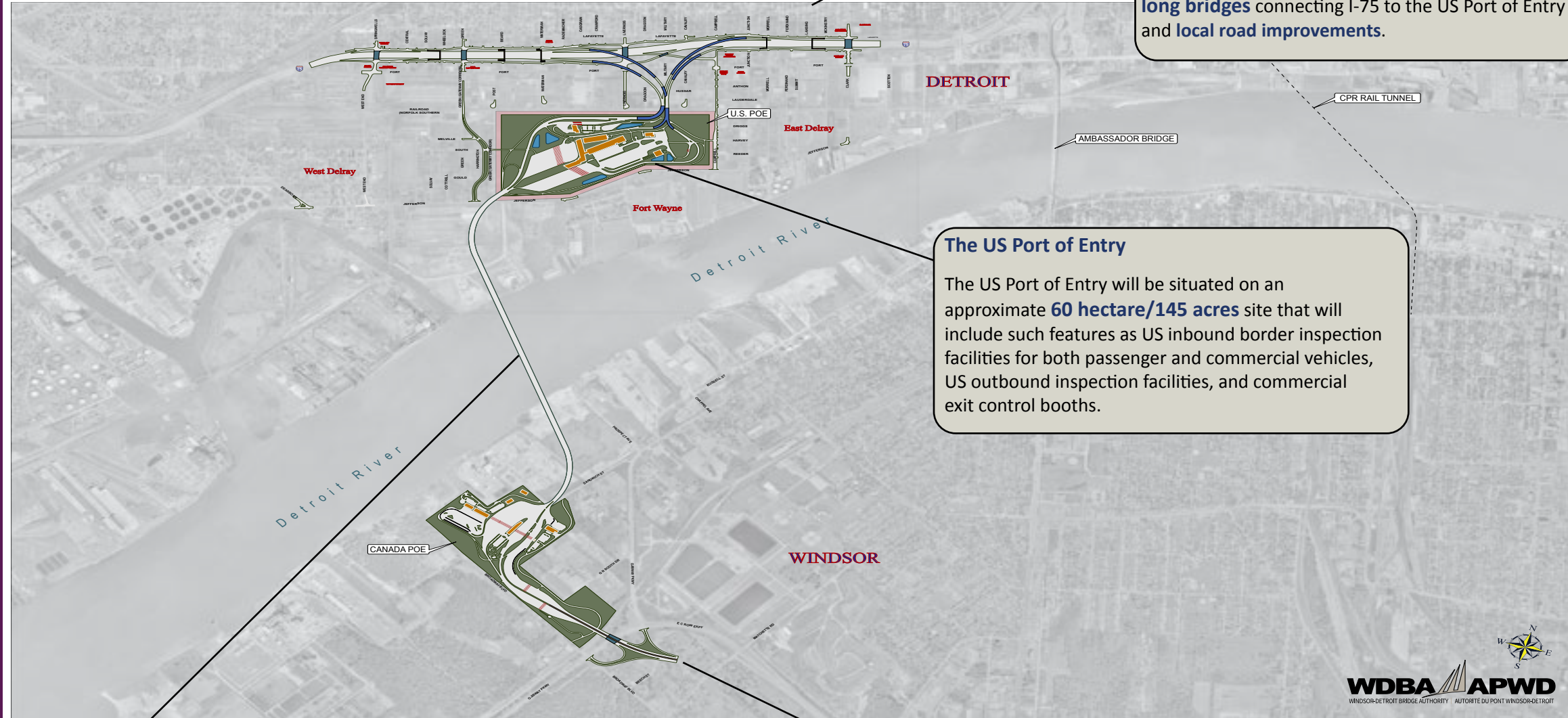
# PROJECT OVERVIEW

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# Project Components

There are the **four components** of the Gordie Howe International Bridge project – the Canadian Port of Entry, the bridge, the US Port of Entry and the Michigan Interchange.



**Michigan Interchange**  
 The Michigan Interchange will consist of the primary connecting ramps to and from the US Port of Entry and associated local road improvements required to fit the new ramps into the interstate system. The Michigan Interchange includes **four new crossing road bridges, five new pedestrian bridges, four long bridges** connecting I-75 to the US Port of Entry and **local road improvements**.

**The US Port of Entry**  
 The US Port of Entry will be situated on an approximate **60 hectare/145 acres** site that will include such features as US inbound border inspection facilities for both passenger and commercial vehicles, US outbound inspection facilities, and commercial exit control booths.

**The Bridge**  
 A six-lane cable stayed or suspension bridge, providing three Canada-bound lanes and three US-bound lanes over the Detroit River. The bridge will have a clear span of **850 metres/2788 feet** across the Detroit River with **no piers in the water**. Two approach bridges (one on each side) will connect the main span to the Canadian Port of Entry and the US Port of Entry. The crossing will be approximately **2.5 kilometres/1.5 miles** in length.

**The Canadian Port of Entry**  
 The Canadian Port of Entry will be situated on an approximate **53 hectare/130 acre** site that will include such features as Canadian inbound border inspection facilities for both passenger and commercial vehicles, Canadian outbound inspection facilities, tolling operation for both the US-bound and Canada-bound traffic, and maintenance facilities.



## Public-Private Partnership

The Gordie Howe International Bridge project will be delivered using a public-private partnership (P3) model. The P3 model is a contractually binding commitment by the private sector to deliver infrastructure at a pre-determined price and fixed date with meaningful penalties in case of contract defaults. This provides certainty to WDBA and to taxpayers. It also offers guarantees that the infrastructure will be well maintained for a long period of time. The private partner will design, build, finance, operate and maintain the project for a specified period of time.



# Strategic Priorities

Before construction can begin on the project components, the project first had to be preliminarily advanced and WDBA had to establish itself as a Crown corporation.

With these goals in mind, in 2014-2015, its inaugural year of operations, WDBA was driven by two parallel strategic priorities:

## Building Capacity/Operationalizing WDBA

To be in a position to move the Gordie Howe International Bridge project forward, WDBA has had to establish itself as a corporation, from the point of view of:

- Building the required human resource capacity; and
- Launching WDBA operations.

## Launching the P3 Procurement

To launch the P3 procurement process in 2015, WDBA has built on Transport Canada's work and undertaken a wide range of key pre-procurement activities within the following categories:

- Agreements, including those mandated under the Crossing Agreement;
- Technical Issue Resolution;
- Early Works; and
- Property Acquisition.

While WDBA's first year of operations began in August 2014, it is notable that the strategic priorities for 2014-2015 have either been met, were on target, or are in progress.

## Collaboration

WDBA worked in close collaboration with the governments of Canada, Michigan and the United States to advance the project. This includes meeting and close interaction with:

- Canada Border Services Agency
- Canadian Food Inspection Agency
- Federal Highway Administration
- General Services Administration
- Michigan Department of Transportation
- Transport Canada
- US Customs and Border Protection

WDBA also met with the cities of Windsor and Detroit as well as local stakeholders to ensure that they are engaged, kept informed and play a role in the planning and delivery of the Gordie Howe International Bridge.

# Highlights at a Glance 2014 - 2015

AUGUST

**04** Canada's newest Crown corporation becomes operational

**15** Board of Directors Meetings



**6** International Authority Meetings

**4** Acknowledgements Approved

- International Authority
- Michigan Activities Funding
- Dispute Resolution
- Confidentiality



**2** Agreements Signed

- US Federal Plaza Arrangement
- Common Interest Privilege Agreement



**\$17M** General Engineering Contract Awarded - one of the largest technical services contracts to be issued by WDBA



**4** Key P3 External Advisors Contracted

- Financial and Transaction Advisor
- Capital Markets Advisor
- Fairness Monitor
- Legal Advisor



**10** Full-Time Employees Hired



## Performance Summary

WDBA in its present form began operations in August 2014 and in fiscal 2014-2015 has laid important groundwork for the Gordie Howe International Bridge project by:

- seeing the appointment of its Chairperson, President, and members of the Board of Directors in 2014 by the Governor-in-Council as well as the appointment of the International Authority;
- approving policies and bylaws;
- continuing to build capacity to take over operational responsibilities from Transport Canada, which had previously held responsibility for advancing project approvals over the past ten years;
- building robust governance structures including an Audit Committee and Governance and Human Resources Committee; and
- working diligently in preparation of the upcoming procurement process for the project, including the acceleration of some Early Works on the Canadian Port of Entry (POE).

Building Capacity/Operationalizing WDBA

Strategic Priority - Building Capacity/Operationalizing WDBA			
2014-2015 Strategic Outcome	Success	Measurement	Target/Status
Building required HR capacity	WDBA has the ability to progressively take over the project's management and direction from Government of Canada	<p>Appointment of President and CEO</p> <p>Appointment of Chair and Boards of WDBA and IA</p> <p>Identification of critical positions required to deliver the project and manage the corporation; acquisition of the required human resources</p>	<p>✓ <b>Met</b> – Appointed in August 2014.</p> <p>✓ <b>Met</b> – Appointed June-October 2014 (Chair and WDBA Board); July-November 2014 (IA).</p> <p>✓ <b>On target</b> – WDBA has developed a staffing strategy, taking into account need and urgency. At the end of Fiscal 2014-2015, WDBA had a total of ten employees and is continuing to actively staff the balance of the positions.</p>
Launching WDBA operations	WDBA proceeds to transition into a fully operational Crown corporation	<p>Implementation of policies and frameworks to guide WDBA's operations</p> <p>Establishment of a physical and virtual presence</p> <p>Recruitment of support outside of Government of Canada during the pre-procurement phase</p>	<p>✓ <b>On target</b> – Policies and frameworks have been, or will be developed. For example, a suite of policies to govern the management of human resources is being asked for approval by WDBA's Governance and HR Committee. Other policies and FAA requirements are in place. A pension and benefits provider has also been secured.</p> <p>✓ <b>On target</b> – WDBA moved into their permanent space in Windsor, ON in February 2015. WDBA's website and social media are in development.</p> <p>✓ <b>Met</b> – Core external advisors have been retained, including a General Engineering Consultant, P3 Financial and Transaction Advisor, Capital Markets Advisor, P3 Legal Advisor and a P3 Fairness Monitor.</p>

Launching the P3 Procurement (Pre-Procurement Activities)

Strategic Priority - Launching the P3 Procurement (Pre-Procurement Activities)			
2014-2015 Strategic Outcome	Success	Measurement	Target/Status
Agreements, including those mandated under the Crossing Agreement	Meeting the requirements of the Crossing Agreement	Approving acknowledgements and signing arrangements	<p>✓ <b>Met</b> – WDBA has approved the Acknowledgements for the International Authority, the Michigan Activities Funding, Dispute Settlement Resolution, and Confidentiality.</p> <p>WDBA has also signed the US Federal Plaza Arrangement.</p>
Technical Issue Resolution	Development of a Final Right-of-Way Plan for land earmarked for the Michigan side of the project	WDBA and MDOT work towards developing a Final Right-of-Way Plan	<p>✓ <b>Met</b> – The Final Right-of-Way Plan has been completed.</p>
Early Works	WDBA is able to accelerate aspects of Early Works	WDBA investigates whether placement of fill on the Canadian POE/plaza site can be accelerated	<p>✓ <b>Met</b> – WDBA has completed investigations related to the acceleration of Early Works.</p>
Property Acquisition in Canada and Michigan	<p><b>Canada</b></p> <p>Properties required for the project are acquired</p> <p><b>Michigan</b></p> <p>Properties required for the project are acquired</p>	<p><b>Canada</b></p> <p>WDBA, Transport Canada and other required Government agencies finalize acquisition of required properties</p> <p><b>Michigan</b></p> <p>WDBA and MDOT acquire the required properties in Michigan</p>	<p><b>Canada</b></p> <p>✓ <b>On target</b> – A Common Interest Privilege Agreement has been executed. 2014-15 resulted in the purchase of some required properties. Transport Canada has met with all remaining property owners and is engaged in negotiations.</p> <p><b>Michigan</b></p> <p>✓ <b>In progress</b> – WDBA has executed agreements for the acquisition of properties in Detroit and Wayne County.</p> <p>WDBA has worked with MDOT to develop a Property Acquisition Plan so acquisition activities are completed on-time and within budget.</p> <p>MDOT released a land acquisition Request for Proposals and has retained a Property Acquisition Consultant.</p>

# Outlook for 2015-2016

In the upcoming year, WDBA will continue to fulfill its 2014-2015 priorities, and will also focus on pursuing the key objective of launching the procurement process. It will also advance several strategic priorities over the medium-term including property acquisition in Canada and Michigan, the acceleration of Early Works in Windsor (this includes construction of a Perimeter Access Road, fill placement at the Canadian POE, and utility relocations) and utilities relocation in Michigan. As well, WDBA will continue to build its staffing and operations and assume or take over project responsibilities from the Government of Canada.

## **Key Objective: Launch the Procurement Process**

As WDBA prepares to launch its procurement process in 2015-2016, it will follow a best practice, two-stage procurement process. This process includes the issuance of a Request for Qualifications (RFQ) and a Request for Proposals (RFP). The ultimate goal in this process will be to choose a suitable P3 Partner with the skills, experience and resources necessary to deliver the Gordie Howe International Bridge project.

## **Strategic Priority: Building Capacity and Operationalizing WDBA**

As of the end of fiscal year 2014-2015 (March 31, 2015), using a comprehensive HR/staffing strategy developed to identify and hire critical positions, WDBA has a complement of ten employees at various levels.

Following the staffing strategy, WDBA will continue to actively staff the balance of its required positions. WDBA will take into account the intended length of time each resource will be required and their respective urgency in terms of staffing. It has also identified opportunities to maximize and leverage available expertise with the skill sets that are required to deliver the project.

## **Strategic Priority: Pre-procurement Activities (Property Acquisition, Acceleration of Early Works, and Utilities Relocation)**

Throughout 2015-2016 and over the medium term, WDBA will engage in achieving the strategic priorities of property acquisition in Canada and Michigan, the acceleration of Early Works in Windsor, and utility relocations in Canada and Michigan.

Early Works consists of construction of the Perimeter Access Road that will provide access to the Canadian POE and adjacent properties, and the acceleration of fill placement at the Canadian POE so that construction of “settlement sensitive” structures such as buildings, will not be delayed.

Relocation of utilities includes all utilities that will need to be relocated within the Perimeter Access Road’s right-of-way. WDBA is working closely with all utility companies to relocate the utilities within the Perimeter Access Road right-of-way.

## 2014-15 Financial Results

In its first year of operation, WDBA selected its accounting framework and established some of its accounting policies. In addition, to establishing its policies, WDBA also needed to build its Finance team and begin working with the Office of the Auditor General. These critical and necessary steps resulted in more time than anticipated to finalize the 2014-15 financial statements. WDBA's financial statements are prepared using the Public Sector Accounting Standards (PSAS).

Although the Corporation's activities only started in August 2014, certain project activities had been underway earlier and conducted by Transport Canada. Costs incurred by Transport Canada since October 2012, the date of incorporation, for activities conducted on behalf of WDBA, have been included in WDBA's financial statements. These costs are mainly related to professional services incurred for the project. These professional services are now being managed by WDBA.

Given that 2014-15 was WDBA's first full year of operations, most activities focused on setting up the Corporation and getting resources to support the project activities. WDBA received \$8.1 million in appropriations to support those activities in 2014-15. This request for funds was made to reflect that pace of work WDBA was completing. As the 2014-15 budget numbers were established based on preliminary accounting policies which were later finalized during the first year of operations, the budget and the actuals cannot be directly compared.

WDBA's most significant expenditures in the year were for professional and legal services (\$5.9 million) to support engineering activities for the P3 project and the Early Works, financial planning for the project and legal services for the P3 procurement.

WDBA also incurred costs to set up its office space. As mentioned earlier, WDBA began hiring employees in 2014, payroll and benefit costs for the year were \$441 thousand.

## Statement of Canadian Contributions

Under the Crossing Agreement, WDBA has to issue, annually, audited Statements of Canadian Contributions. The Canadian Contributions reflect the cost that Canada has incurred for the project, which will be recouped through toll revenues once the Gordie Howe International Bridge opens.

WDBA is still working to determine the start date of the Canadian Contributions and as such has not yet issued the Statement of Canadian Contributions and has not included the amount of Canadian Contributions at March 31, 2015, in its financial statements. Once the Statement of Canadian Contributions is finalized WDBA will publish it on its website [www.wdbridge.com](http://www.wdbridge.com).



# WDBA FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 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. 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 the 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 Cautillo, M.ENG, P.ENG**  
President and Chief Executive Officer



**Linda Hurdle, CPA, CA**  
Chief Financial and Administrative Officer

Windsor, Canada  
June 23, 2016



## 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 statements of financial position as at 31 March 2015 and 31 March 2014, and the statements of operations, statements of change in net financial assets and statements of cash flow for the years ended 31 March 2015 and 31 March 2014, 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 audits. I conducted my audits 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 in my audits 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 2015 and 31 March 2014, and the results of its operations, changes in its net financial assets, and its cash flows for the years ended 31 March 2015 and 31 March 2014 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 audits 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 directive issued pursuant to section 89 of the *Financial Administration Act* described in Note 1 to the financial statements.



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

23 June 2016  
Ottawa, Canada

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

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash	162	-
Accounts receivable		
Due from Government of Canada (Note 9)	2,403	-
Other receivables	397	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,962</b>	<b>-</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	2,337	-
<b>TOTAL LIABILITIES</b>	<b>2,337</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>	<b>625</b>	<b>-</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 3)	5,798	817
Prepaid expenses (Note 4)	2,744	45
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>8,542</b>	<b>862</b>
<b>ACCUMULATED SURPLUS</b>	<b>9,167</b>	<b>862</b>
Accumulated surplus is comprised of:		
Accumulated operating surplus	9,167	862
	<b>9,167</b>	<b>862</b>
Commitments (Note 5) and Contingencies (Note 6)		

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

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

	2015 Budget	2015 Actual	2014 Budget	2014 Actual
EXPENSES (Note 8)				
Detroit River International Crossing	360	<b>6,448</b>	-	2,063
Internal services	4,150	<b>1,535</b>	-	-
<b>TOTAL EXPENSES</b>	<b>4,510</b>	<b>7,983</b>	-	<b>2,063</b>
<b>DEFICIT BEFORE GOVERNMENT FUNDING</b>	<b>(4,510)</b>	<b>(7,983)</b>	-	<b>(2,063)</b>
Government transfers - Appropriations (Note 9)	6,150	<b>8,059</b>	-	-
Government transfers - Other (Note 9)	-	<b>8,229</b>	-	2,822
	6,150	<b>16,288</b>	-	2,822
<b>ANNUAL OPERATING SURPLUS</b>	<b>1,640</b>	<b>8,305</b>	-	<b>759</b>
<b>ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR</b>	-	<b>862</b>	-	<b>103</b>
<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>	<b>1,640</b>	<b>9,167</b>	-	<b>862</b>

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

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

	2015 Budget	2015 Actual	2014 Budget	2014 Actual
ANNUAL OPERATING SURPLUS	1,640	<b>8,305</b>	-	759
Additions to tangible capital assets	(1,640)	<b>(5,004)</b>	-	(714)
Amortization of tangible capital assets	-	<b>23</b>	-	-
	-	<b>3,324</b>	-	45
Additions to prepaid expenses	-	<b>(2,740)</b>	-	(45)
Use of prepaid expenses	-	<b>41</b>	-	-
	-	<b>(2,699)</b>	-	(45)
INCREASE IN NET FINANCIAL ASSETS	-	<b>625</b>	-	-
NET FINANCIAL ASSETS, BEGINNING OF YEAR	-	-	-	-
NET FINANCIAL ASSETS, END OF YEAR	-	<b>625</b>	-	-

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

A Statement of Remeasurement Gains and Losses has been excluded, as there have been no remeasurement gains and losses.

## STATEMENT OF CASH FLOW

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

	2015	2014
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		
Annual operating surplus	8,305	759
Adjustments for non-cash items		
Amortization of tangible capital assets	23	-
Contributed capital assets	(2,878)	(714)
Changes in non-cash working capital items		
Increase in accounts receivable	(2,800)	-
Increase in accounts payable and accrued liabilities (Note 3)	1,017	-
Increase in prepaid expenses	(2,699)	(45)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>968</b>	<b>-</b>
<b>CASH FLOW FROM CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets (Note 3)	(806)	-
<b>NET CASH APPLIED TO CAPITAL ACTIVITIES</b>	<b>(806)</b>	<b>-</b>
<b>NET INCREASE IN CASH</b>	<b>162</b>	<b>-</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>
<b>CASH, END OF YEAR</b>	<b>162</b>	<b>-</b>

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

## 1. Authority and Activities

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

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

An auditor has not been appointed for the year ended March 31, 2013, as there was limited activity between the date of incorporation and March 31, 2013. Therefore, audited financial statements for that year have not been prepared. The only transactions during the year were activities undertaken by the Government of Canada on behalf of WDBA, which are included in the operating surplus.

The financial statements were approved and authorized for issuance by the Board of Directors on June 23, 2016.

## 2. Significant Accounting Policies

### a) Basis of Accounting and early adoption of standards

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). PSAS allows for the early adoption of certain standards. WDBA has elected to early adopt the following standards:

- i. Section 1201 – Financial Statement Presentation
- ii. Section 2601 – Foreign Currency Translation
- iii. Section 3420 – Inter-Entity Transactions
- iv. Section 3450 – Financial Instruments

### b) Government Transfers

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 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) Support Costs

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 revenue, and expensed or capitalized as contributions to tangible capital assets depending on their nature.

### d) Cash

Cash consists of cash held in WDBA's bank accounts.

### e) Accounts Receivable

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

### f) 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 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 be turned over to the State of Michigan, are expensed as incurred.

### g) 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
Computer and office equipment	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.

h) Environmental Obligations

Whenever the Corporation 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.

i) 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.

j) 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.

k) 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.

l) Financial Instruments

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

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

Categories	Financial instruments	Measurement
Financial assets	Cash	Cost or amortized cost
Financial liabilities	Accounts payable and accrued liabilities	Cost or amortized cost

## m) 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.

## n) 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, and contingencies are the most significant items where estimates are used. Actual results could differ significantly from those estimates.

## 3. Tangible Capital Assets

<b>(thousands of dollars)</b>				
	<b>Leasehold Improvements</b>	<b>Computer and Office Equipment</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Cost</b>				
April 1, 2013	-	-	103	103
Contributions	-	-	714	714
<b>March 31, 2014</b>	-	-	<b>817</b>	<b>817</b>
April 1, 2014	-	-	817	817
Additions	702	225	1,199	2,126
Contributions	-	-	2,878	2,878
<b>March 31, 2015</b>	<b>702</b>	<b>225</b>	<b>4,894</b>	<b>5,821</b>
<b>Accumulated Amortization</b>				
April 1, 2013	-	-	-	-
Amortization	-	-	-	-
<b>March 31, 2014</b>	-	-	-	-
April 1, 2014	-	-	-	-
Amortization	15	8	-	23
<b>March 31, 2015</b>	<b>15</b>	<b>8</b>	-	<b>23</b>
<b>Net Book Value</b>				
March 31, 2014	-	-	817	817
March 31, 2015	687	217	4,894	5,798

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 \$1,320 (2014 – \$0) in relation to the acquisition of tangible capital assets, as the amount relates to capital activities in 2014-15 that remain to be paid as at March 31, 2015.

#### 4. Prepaid Expenses

The prepaid land lease 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.

(thousands of dollars)

	2015	2014
Michigan Land Acquisitions	2,491	45
Other	253	-
	<b>2,744</b>	<b>45</b>

Payments made to purchase land that will not be leased or licensed back to WDBA were expensed in Michigan Land (note 8).

#### 5. Commitments

WDBA has commitments, principally for professional fees and rental agreements, for amounts totaling \$22.1 million (2014 - \$0). Some of 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:

	Professional Fees	Rental	Total
2016	\$4,525	\$592	\$5,117
2017	2,909	592	3,501
2018	2,597	553	3,150
2019	2,418	433	2,851
2020	2,371	407	2,778
2021 and thereafter	4,106	572	4,678

#### 6. Contingencies

##### A. Legal

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, 2015; management also believes that such matters did not result in any material liabilities for the year ended March 31, 2014.

##### B. Michigan Land

As WDBA is required by the Crossing Agreement to finance the Gordie Howe International Bridge project, it is WDBA's responsibility to remediate contamination on land that has been purchased by the State of Michigan for the project. Preliminary environmental assessments have identified certain parcels of land which are at a higher risk for contamination based on current and prior land use, and therefore require further investigation in order to determine the extent of contamination and to estimate the cost of remediation.

The land has not yet been leased or licensed back to WDBA. As such, WDBA has not been able to independently determine if the contamination exceeds an environmental standard. Subsequent to March 31, 2015, the State of Michigan has initiated the necessary additional investigation, however, the process is still in its early stage. Since it is unknown whether contamination that exceeds environmental standards is present, no contingent liability related to the Michigan land has been recognized for the current year.

## 7. 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 Transport Canada in Windsor, Ontario. 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.

A reasonable estimate of the liability could not be made as the total tonnage of contaminated soil requiring remediation was not known to WDBA as of March 31, 2015, due to the lack of access to the land. As a result, no liability was recorded. However, subsequent to year end, WDBA signed a temporary license with Transport Canada which allows WDBA to perform site preparation work on land owned by Transport Canada. As a result, WDBA estimates that the cost of remediation will be in a range from \$646 to \$1,304. The estimated range is based on total hectares of land for which WDBA has accepted responsibility, cost per hectare, and work performed after year end but prior to the issuance of the financial statements.

WDBA has also assumed responsibility for the land purchased by the State of Michigan, funded by WDBA, for the Gordie Howe International Bridge project that will be leased or licensed back to WDBA. WDBA could not determine the existence of contamination that exceeded a standard, therefore WDBA has disclosed this matter as a contingent liability (see Note 6).

## 8. Expenses By Type

(thousands of dollars)

	2015	2014
Professional Services	4,077	1,488
Legal Services	1,854	565
Michigan Land	589	10
Office and Maintenance	446	-
Payroll and Benefits	441	-
Transfers to International Authority	294	-
Rent	145	-
Travel expenses	63	-
Insurance	42	-
Amortization	23	-
Other	9	-
	<b>7,983</b>	<b>2,063</b>

## 9. 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 \$150 (\$0 – 2014), and recorded government funding of \$8,059 (\$0 – 2014). At March 31, 2015, WDBA recorded \$2,800 in accounts receivable with related parties (\$0 – 2014), and accounts payable \$49 (\$0 – 2014).

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 \$8,229 (\$2,822 – 2014), of which \$4,300 was recognized as expense (\$2,063 – 2014), and \$3,929 was capitalized as contributed assets (\$759 – 2014).

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.

## 10. 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:

<b>(thousands of dollars)</b>		
	<b>2015</b>	<b>2014</b>
Cash	162	-

The credit risk with cash is reduced substantially by ensuring that cash is held in the 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:

<b>(thousands of dollars)</b>				
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>	<b>Total</b>
Accounts payable and accrued liabilities	2,319	18	-	2,337

### 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. A 1% variation in interest rates at March 31, 2015, would not be material.

WDBA is subject to foreign currency exchange rate risk on its US dollar cash balance. A 1% variation in foreign currency exchange rates at March 31, 2015, would not be material.

## 11. Benefit Plans

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

(thousands of dollars)

	2015	2014
Pension plan	3	1

### a) Pension Plan

WDBA's 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. WDBA had no employees as of March 31, 2014. 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. WDBA had no employees as of March 31, 2014. There were no significant changes to the plan during the year.

## 12. Statement of Canadian Contributions

Canadian Contributions are all funds (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 have been appropriated by the Parliament of Canada and have been paid by the Government of Canada or expenditures paid by WDBA.

It is the intention of the Crossing Agreement that the cost of the project will be recouped by the Government of Canada through future toll revenues generated from the operation of the Gordie Howe International Bridge. To track these costs, the Crossing Agreement requires WDBA to prepare a Statement of Canadian Contributions and a Statement of Unrecouped Canadian Contributions. These statements are included in the annual report of WDBA, but are subject to a separate audit, with their own independent auditor's report.

Once the costs of the project have been recouped, two significant changes will take place. First, the International Authority obtains a significant degree of control over WDBA. The International Authority's oversight expands to include monitoring the improvement, operation, maintenance and use of the Gordie Howe International Bridge and it obtains the authority to approve toll rates, as well any increase or decrease in any reserves reasonably required for ongoing and projected costs. The second major change is that operating surpluses will be shared equally between WDBA and the State of Michigan.

Under normal circumstances the Statement of Canadian Contributions would be incorporated into the note disclosure of the financial statement, and issued with the annual report. However, as of the date of the issuance of the financial statements, the start date for the accumulation of the Canadian Contributions has not been finalized. As such, the balance of Canadian Contributions as at March 31, 2015, cannot be quantified, and its audit cannot be completed.

In order to issue its annual report on as timely a basis as possible, WDBA has made the decision to issue its annual report without the Statement of Canadian Contributions. Upon the completion of the audit of the Statement of Canadian Contributions, WDBA will publicly release the Statement of Canadian Contributions along with its independent auditor's report.





Dwight Duncan  
Interim Chair

Mr. Duncan currently serves as a Senior Strategic Advisor at McMillan LLP and sits on the Boards of the MS Society of Canada Scientific Research Foundation; The Churchill Society for the Advancement of Parliamentary Democracy; the Management Advisory Board of the Odette School of Business at the University of Windsor; and the Advisory Board of KTG Consultants. Mr. Duncan has had a distinguished career in public service that spanned close to 25 years. He served as a member of the Legislative Assembly of Ontario from 1995 to 2013. He handled many high profile portfolios, including Finance, Energy, Revenue and Government Services and served as Deputy Premier for the Province of Ontario.



Michael Cautillo, M.ENG, P. Eng,  
President, CEO and Director

Mr. Cautillo has close to 40 years of experience working in the transportation field and has been involved in the planning of the new crossing between Windsor, Ontario and Detroit, Michigan since 2005 in various capacities. Mr. Cautillo also spent 23 years with the Ontario Ministry of Transportation where he acquired extensive experience in many infrastructure projects, such as major public-private partnerships, highway operations, railways, municipal transit, airport design and construction and toll highways, followed by 14 years at a professional services firm in the public-private partnership field.



William Graham  
Director

Mr. Graham is President of South Winds Development Co. Inc., a land development company based in Komoka, Ontario. Mr. Graham has over 45 years of board and business experience including directorships with London EcoPark; Habitat for Humanity; Air Ontario/Air Jazz; Ontario Aggregate Producers Association; and the Bank of Canada. He is also a founding member of the London Heavy Construction Equipment Association.



Caroline Mulroney Lapham  
Director

Mrs. Mulroney Lapham is Vice President of BloombergSen, an independent, partner-owned investment counselling firm. Prior to joining BloombergSen, she worked for Wellington Financial LP, a Toronto-based venture debt fund, in the area of corporate development; as a lawyer in New York City offices of Shearman & Sterling; and as Associate Director of NYU Center for Law & Business. Mrs. Mulroney Lapham is a graduate of Harvard College and has a J.D. from the New York University School of Law. She is the co-founder of the Shoebox Project for Shelters, a charitable organization with local chapters across Canada, is on the Board of Directors of the Hospital for SickKids Foundation and is also a Governor of the National Theatre School of Canada.



Craig S. Rix  
Director

Mr. Rix is a partner with the law firm Hicks Morley Hamilton Stewart Storie LLP and, through his legal practice, has significant experience in human resources law and advocacy, strategic planning, governance and public policy. Mr. Rix holds a Bachelor of Laws degree from the University of Windsor, a Bachelor of Arts degree in political science and a Master of Arts degree in public policy/public administration, both from McMaster University.

Mrs. Burr has had a distinguished career with the Government of Canada over the past 40 years, most recently as Assistant Deputy Minister, Policy for Transport Canada. She previously held positions with the Solicitor General of Canada, the Privy Council Office and the Treasury Board Secretariat.



Kristine Burr  
Chair



Eddie Francis  
Director

Mr. Francis is the Executive Vice President, Operations and Member Experience of the Windsor Family Credit Union (WFCU). Prior to joining the WFCU, Mr. Francis was Mayor of the City of Windsor for three terms (2003-2014). Mr. Francis holds a combined undergraduate degree in chemistry and biochemistry from the University of Western Ontario and a law degree from the University of Windsor Law School.

Mrs. Gagnon has been the President of XTL Transport Inc., one of Canada's leading transportation, logistics and distribution services companies since 2012. She has a MBA from Université du Québec à Montréal and a BA from McGill University.



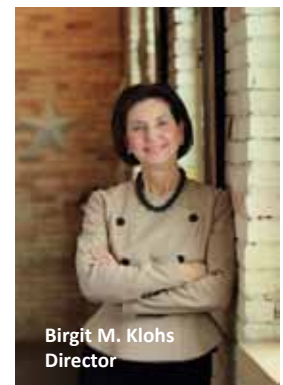
Geneviève Gagnon  
Director



Michael D. Hayes  
Director

Mr. Hayes presently serves as President and CEO of the Midland Center for the Arts. He previously founded Main Street Consulting, specializing in community relations and economic development following his retirement as Vice President of Executive Relations with Dow Chemical.

Mrs. Klohs is the President and CEO of The Right Place, Inc., the regional economic development organization for the retention, expansion and attraction of business in the West Michigan area. During her career, she has worked with the Prince Corporation, the Berrien County Economic Development Corporation, and the Michigan Department of Commerce.



Birgit M. Klohs  
Director



Matt Rizik  
Director

Mr. Rizik is the Chief Tax Officer for Rock Ventures LLC, the umbrella entity formed to provide operational coordination, guidance and integration to a portfolio of more than 40 businesses ranging from sports and entertainment to innovative internet start-ups. Prior to joining Rock Ventures, he was a partner at Pricewaterhouse Coopers for more than 30 years.



Photo, from left to right: John Nader, Linda Hurdle, Heather Grondin, the Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, Michael Cautillo, Marta Leardi-Anderson, Leslie Martin

Mr. Michael Cautillo is the **President and Chief Executive Officer** of WDBA. Mr. Cautillo has close to 40 years of experience working in the transportation field and has been involved in the planning of the new crossing between Windsor, Ontario and Detroit, Michigan since 2005 in various capacities. Mr. Cautillo also spent 23 years with the Ontario Ministry of Transportation where he acquired extensive experience in many infrastructure projects, such as major public-private partnerships, highway operations, railways, municipal transit, airport design and construction and toll highways, followed by 14 years at a professional services firm in the public-private partnership field.

Ms. Heather Grondin, **Vice-President, Communications and Stakeholder Relations**, has more than 15 years of experience in communications, strategic planning and delivery. Prior to joining WDBA, she was the Senior Manager Communications and Issues Management Office in the Windsor Border Initiatives Implementation Group (Windsor BIIG) of the Ontario Ministry of Transportation and the Manager of Corporate Communications with Public Works and Government Services Canada – Ontario Region.

Ms. Linda Hurdle is the **Chief Financial Administrative Officer** at WDBA. Ms. Hurdle’s career spans over 20 years, she has experience in both the public and private sector, as well as substantial experience with government agencies. Ms. Hurdle has held positions including: Director in the Office of the Auditor General, and the Director of Financial Policy and Planning with Canadian Air Transport Security Authority (CATSA). Ms. Hurdle also has experience working in a Crown corporation as the Chief Financial Officer at the Canadian Museum of History.

Mr. Leslie Martin, P.Eng, PMP, **Executive Vice-President, Engineering and Operations**, is a Civil Engineer with 32 years of experience managing a wide range of projects related to planning, design and construction of transportation facilities. His experience includes project management, environmental assessments, design and construction administration for all modes of transportation including highways, bridges, rail, transit, municipal roads and airports.

Ms. Marta Leardi-Anderson is **Vice-President, Policy and Project Delivery**. Ms. Leardi-Anderson brings transportation and border policy development and implementation experience to WDBA. She has worked at the executive level in both the private and public sectors and has provided strategic policy direction to the most senior levels of the largest industry leaders and the federal government and public service. She has joined WDBA from the Cross-Border Institute at the University of Windsor where she holds the position of Executive Director.

Mr. John Nader, **General Counsel**, is an accomplished international lawyer with over 26 years of experience and a proven track record as a municipal and corporate lawyer, In-House Counsel and private practitioner. He is a skilled negotiator of complex contracts, large scale real property development transactions and litigation settlements, with demonstrated expertise in diverse types of law, including municipal, administrative, real property, contracts, condemnation, environmental, corporate law, commercial and residential development, appellate law and health care law, with extensive litigation experience. He was called to the State Bar of Michigan in 1988 and the Law Society of Upper Canada in 2006.

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.

## WDBA Website

The project website, [www.wdbridge.com](http://www.wdbridge.com), is your main source for up-to-date information on the Gordie Howe International Bridge project. The site provides information on ongoing activities including Early Works at the Canadian Port of Entry site and the P3 procurement process, in addition to current opportunities for employment and contracting, news, stories and reports.

## Join the Email List

Join our electronic mailing by visiting [www.wdbridge.com](http://www.wdbridge.com) and receive up-to-date information delivered right to your inbox. Please be assured that your email address will be used by WDBA only and will not be shared with any third parties. You can unsubscribe at any time.

## 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). We will acknowledge your inquiry within one business day and, if we can't provide an immediate answer, we will strive to provide a full response to you within three business days.

## Our Offices

WDBA is committed to communicating in a timely manner and exchanging information. We recognize the importance of talking with the public and are pleased to assist with providing information you are looking for. The public office provides a place where you can find information, talk to the WDBA team, ask questions and provide feedback. Our offices are located at 100 Ouellette Avenue, Suite 400, Windsor, ON N9A 6T3.

## Social Media

### Twitter, Facebook and LinkedIn

Follow the project on Twitter at [www.twitter.com/wdbabridge](http://www.twitter.com/wdbabridge) and search for WDBA on Facebook at [www.facebook.com](http://www.facebook.com), and on LinkedIn at [www.linkedin.com](http://www.linkedin.com) for updates on construction, procurement, meetings and events and other project details. You can tweet and post questions and comments on our feed and wall or send us a private message. You will receive responses from the WDBA team. Use our hashtags #GordieHoweBridge and #WDBA.

### YouTube and Instagram

Search for WDBA on YouTube at [www.youtube.com](http://www.youtube.com) and Instagram at [www.instagram.com](http://www.instagram.com) to view videos and photos detailing the latest progress and news.

# 2014-2015 ANNUAL REPORT



For more information about WDBA and the Gordie Howe International Bridge project visit [www.wdbridge.com](http://www.wdbridge.com). Follow us on Twitter at [www.twitter.com/wdbabridge](http://www.twitter.com/wdbabridge), like us on Facebook at [www.facebook.com/wdbabridge](http://www.facebook.com/wdbabridge) and connect with us on LinkedIn at [www.linkedin.com](http://www.linkedin.com).



**STATEMENT OF CANADIAN CONTRIBUTIONS AND  
STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS**  
FOR THE PERIODS ENDED MARCH 31, 2015 AND 2014

# STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS

## STATEMENT OF CANADIAN CONTRIBUTIONS AND STATEMENT OF UNRECOUPED CANADIAN CONTRIBUTIONS FOR THE PERIODS ENDED MARCH 31, 2015 AND 2014 Statement of Management Responsibility

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

The Statements have been prepared using the basis of accounting described in Note 2. To meet management's responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the integrity and reliability of financial information, and that transactions and events are properly recorded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control in accordance with the Crossing Agreement. The Board exercises these responsibilities with the assistance of the Audit Committee of the Board, which is composed of two directors who are not employees of the 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, M.Eng, P.Eng  
Président et Premier-dirigeant



Linda Hurdle, CPA, CA  
Dirigeante principale des Finances et de l'Administration

Windsor, Canada  
27 janvier 2017

# INDEPENDENT AUDITOR'S REPORT



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister of Infrastructure and Communities

I have audited the accompanying statements of Canadian Contributions and statements of Unrecouped Canadian Contributions of the Windsor-Detroit Bridge Authority for the periods ended 31 March 2015 and 31 March 2014 ("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 audits. I conducted my audits 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 in my audits is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the statements of Canadian Contributions and statements of Unrecouped Canadian Contributions of the Windsor-Detroit Bridge Authority for the periods ended 31 March 2015 and 31 March 2014 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the statements.

# INDEPENDENT AUDITOR'S REPORT

## *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 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

27 January 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)

	2015	2014
<b>Canadian Contributions:</b>		
Opening balance (note 4 and 5)	70,137	61,609
Canadian Contributions for the year	13,148	8,528
<b>Aggregate Canadian Contributions</b>	<b>83,285</b>	70,137
<b>Imputed Cost of Unrecouped Canadian Contributions:</b>		
Opening balance (note 4 and 5)	12,887	10,080
Imputed Cost for the year	3,809	2,807
<b>Aggregate Imputed Cost</b>	<b>16,696</b>	12,887
<b>Total Unrecouped Canadian Contributions</b>	<b>99,981</b>	83,024

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

## 1. Crossing Agreement and Statements Content

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

The Crossing Agreement stipulates that the costs to design, construct, finance, operate and maintain the GHIB 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.

## 1. Significant Accounting Policies

### a. Basis of Accounting

Les États sont préparés selon l'Accord sur le passage qui stipule que les contributions canadiennes se composent de l'ensemble des sommes, des biens réels ou personnels ou des services fournis, lesquelles sommes ont été acquittées tout comme les montants exigibles au titre de tels biens ou services.

### 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

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

property or services, have been appropriated by the Parliament of Canada and have been paid by Canada or provided by Canada to the Crossing Authority and paid by the Crossing Authority, before or after the Initial Execution Date and prior to such particular time, for International Crossing Costs, Michigan Interchange Costs, US Federal Plaza Costs, Crossing Authority Costs and International Authority Costs.

## c. International Crossing Costs

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

## d. Michigan Interchange Costs

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

## e. US Federal Plaza Costs

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

## f. Crossing Authority Costs

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

## g. International Authority Costs

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

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

## h. Imputed Cost of Unrecouped Canadian Contributions

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

## i. Crossing Authority Revenue

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

## j. US Federal Agencies Contributions

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

## k. Unrecouped Canadian Contributions

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

## 3. Comparability to the Financial Statements of the Crossing Authority

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

## 4. Opening Balance

The 2014 opening balances of Canadian Contributions and Imputed Cost of Unrecouped Canadian

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

Contributions include Canadian Contributions and Imputed Costs incurred between April 1, 2005 and March 31, 2013.

## 5. 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. These costs have been excluded from the Statement of Canadian Contributions.