Ponts
JACQUES CARTIER +
CHAMPLAIN
Bridges

Canada

QUARTERLY FINANCIAL REPORT

2nd QUARTER (Q2)

For six months ended September 30, 2020

TABLE OF CONTENTS

+ SECTION 1

STATUS

1. STATUS

JCCBI was incorporated on November 3, 1978, under the *Canada Business Corporations Act*. JCCBI was, until September 30, 1998, a Crown corporation wholly owned by the St. Lawrence Seaway Authority (SLSA).

On October 1, 1998, it became a wholly owned subsidiary of The Federal Bridge Corporation Limited (FBCL), a parent agent Crown corporation listed under Part I of Schedule III of the *Financial Administration Act* (FAA).

On February 13, 2014, JCCBI became a parent Crown corporation listed under Part I of Schedule III of the FAA. As a Crown corporation, JCCBI is subject to Part X of the FAA.

Furthermore, JCCBI is an agent Crown corporation of Her Majesty under *The Jacques Cartier and Champlain Bridges Inc. Regulations* (SOR/98-568).

1.1 MANDATE

JCCBI manages several bridges and a tunnel under federal jurisdiction located in the Greater Montreal metropolitan Area, namely the original Champlain Bridge, the Jacques Cartier Bridge, the Île des Sœurs Bypass Bridge, the federal section of the Honoré Mercier Bridge as well as their approaches, the Melocheville Tunnel and two (2) related infrastructures, namely the federal section of the Bonaventure Expressway and the Champlain Bridge Estacade.

For each of these infrastructures, JCCBI assumes responsibility for:

+ Mobility (it should be noted that the original Champlain Bridge has been closed to traffic since the commissioning of the Samuel De Champlain Bridge in the summer of 2019);
+ Operations;
+ Inspections;
+ Maintenance;
+ Repairs and/or rehabilitation;
+ Safety;
+ Coordination with stakeholders (federal, provincial, municipal and others);
+ Management of contaminated sites;
+ Environment.

1.2 MISSION, VISION AND VALUES

Our Mission

Ensure user mobility, safety, and infrastructure longevity using a systemic management approach based on sustainable development.

Our Vision

Become a leader in major infrastructure management as an innovative expert, a mobility leader and a social and urban contributor.

Our Values

Teamwork, transparency, thoroughness, innovation, and commitment are the values JCCBI has adopted to accomplish its mission.

SECTION 2

Q2 OF 2020-2021 IN REVIEW

2. Q2 OF 2020-2021 IN REVIEW

This quarterly financial report has been prepared in accordance with the requirements of the FAA and with the Standard on Quarterly Financial Reports for Crown Corporations issued by the Treasury Board of Canada Secretariat. It provides an assessment of JCCBI's operations and financial position for the quarter ended September 30, 2020 (Q2). It must be read in conjunction with the unaudited Interim Financial Statements and accompanying notes contained in this document, as well as with the audited Annual Financial Statements and supporting notes contained in JCCBI's annual report.

All amounts are in Canadian dollars and are mainly derived from the Corporation's unaudited Interim Financial Statements, which were prepared in accordance with the Canadian Public Sector Accounting Standards.

2.1 SUMMARY

JCCBI declares a $2.2 M surplus for the six months ended September 30, 2020 (deficit of $3.1 M in 2019). The deficit before public funding is $100.7 M as at September 30, 2020 ($82.2 M in 2019).

For the current fiscal year, the combined total revenue amounts to $0.5 M ($0.7 M in 2019), remaining stable overall.

During the same period, the net debt increased by $0.1 M to reach a total of $33.1 M. Financial assets increased by $36.3 M. This change is related to the terms of payment of the contract for the deconstruction of the original Champlain Bridge, as well as to the level of achievement of investment activities.

The acquisitions of gross capital assets in the second quarter of the current fiscal year totalled $17.6 M ($15.2 M in 2019). They mainly consist of expenses of $13.9 M for the Jacques Cartier Bridge, $2.6 M for the Honoré Mercier Bridge and $0.7 M for the Melocheville Tunnel.

2.2 OUTLOOK

The expenses to maintain the bridges and related infrastructures remain stable. Following the signing of the deconstruction contract with the contractor Nouvel Horizon St-Laurent G.P. (NHSL), the structural monitoring interventions on the original Champlain Bridge, including the inspections and monitoring, are no longer required. In effect, the responsibility for the structural integrity of the bridge has been transferred to the contractor in accordance with the contractual terms and conditions.

The government-funded projects are continuing, including the rehabilitation work currently underway at the Jacques Cartier Bridge, at the Honoré Mercier Bridge, on the Bonaventure Expressway and at the Melocheville Tunnel.

As for the future projects at the Jacques Cartier Bridge, a redevelopment of the approaches to the bridge is planned to promote the flow of traffic, taking into consideration the future needs arising from the different modes of transportation. Such redevelopments must be developed according to an urban integration approach and in coordination with the provincial and municipal authorities, particularly the development plan for Île Sainte-Hélène, which is currently underway. A study is underway to assess the potential for development of the Île Sainte-Hélène pavilion and a business case is under preparation for the future vocation of said pavilion.

The section of the Bonaventure Expressway consisting of non-elevated lanes is at the end of its service life. To ensure urban integration with the City of Montreal, an urban boulevard vision was selected for its reconfiguration and reconstruction. The preliminary project study for the development of technical solutions for the construction of the urban boulevard, including a linear park along the St. Lawrence River, is underway in collaboration with the City of Montreal and the stakeholders.

A business case entitled "*Diagnostic et plan directeur de maintien d'actifs : Étape d'une démarche globale de gestion d'actifs*" which presents the overall approach for the long-term maintenance of the assets under JCCBI's responsibility, will soon be submitted to Infrastructure Canada.

JCCBI is proud of its workforce, whose strength lies in its commitment to the achievement of its strategic results. The funding which has been approved by the government until 2022-2023 makes it possible to maintain the infrastructures that play a vital role for mobility, the population and the economy.

2.3 IMPORTANT CHANGES

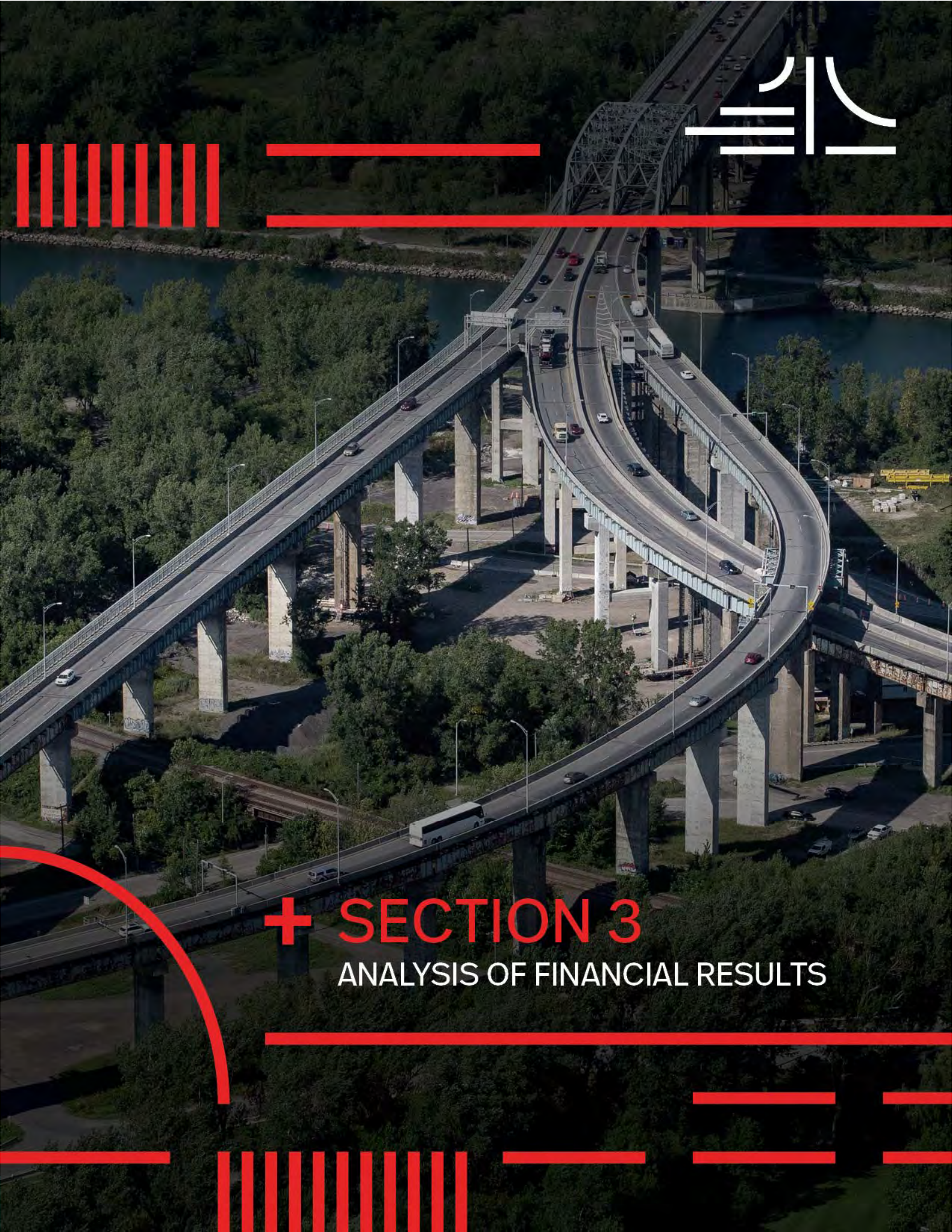
The second quarter of fiscal year 2020-2021 continued to take place in the context of the global pandemic caused by COVID-19. By March 2020, JCCBI had put in place numerous measures to respond to the requests and instructions issued by the governments. Indeed, following the decree adopted by the Quebec government, which led to the suspension of all workplace activities as of March 25, 2020, almost all of JCCBI's employees have worked remotely, with the exception of the Operations and Maintenance Division team, which ensured that critical infrastructures remained in good working order. In spite of the extensive telecommuting, JCCBI's staff continued to make every effort to maintain the timelines related to the preparation of the drawings, specifications and studies and to carry out the administrative tasks that can be performed remotely. On May 11, 2020, the majority of activities resumed on the various construction sites.

As a result of the online employee survey conducted in May 2020, an action plan was developed to better respond to employees' concerns. One of the objectives of this plan was to address the sense of isolation expressed by some employees. Several health measures were thus deployed in the offices to provide a safe working environment for the employees and, on July 6, 2020, JCCBI began a gradual and voluntary return of its employees to its offices. A welcome kit created by the Occupational Health and Safety (OHS) Division was prepared and offered to each employee.

For the past six months, JCCBI's management team has continued to monitor the situation on a daily basis and to stay abreast of the various issues that may arise for staff members. This pandemic has forced JCCBI to adapt its activities and programs and has had a significant impact on the Information Technology (IT) Division, which had to deploy various actions, procedures and training to ensure the continuity of activities in telecommuting mode. A daily watch continues in this regard to ensure that JCCBI's cloud computing and internal technologies are fully operational and secure.

The pandemic has also had a significant impact on the Communications Division, which has created a special COVID-19 section on the internal communications platform and broadcasts messages to staff on a weekly basis.

JCCBI remains proactive during this period of change and continues to keep abreast of public health developments and guidelines in order to take the appropriate initiatives and decisions.



SECTION 3

ANALYSIS OF FINANCIAL RESULTS

3. ANALYSIS OF FINANCIAL RESULTS

3.1 RESULTS OF OPERATIONS

3.1.1 Statement of Financial Position

Financial Assets

During the six months ended September 30, 2020, the total financial assets increased by $36.3 M, to amount to $71.6 M, compared to $35.3 M as at March 31, 2020. A determining factor in the variation in financial assets is the date on which the federal appropriations, which include the funding for the capital projects and the operating expenses, are received. In addition, an amount of $10.4 M is related to the terms of payment provided for in the contract for the deconstruction of the original Champlain Bridge.

Liabilities

Accounts payable and accrued liabilities increased by $36.1 M, from $29.0 M as at March 31, 2020 to $65.1 M as at September 30, 2020. This increase is largely due to the variation of activities of the various ongoing construction projects.

To carry out its major projects, JCCBI entered into construction contracts that provide for the withholding of a portion of the payment until certain work is completed in compliance with the performance requirements and the contractual warranties have expired. These contractual holdbacks remained stable at $4.2 M as at September 30, 2020 ($4.2 M as at March 31, 2020). These amounts will become payable when the work is completed and the warranties have expired.

Non-Financial Assets

The tangible capital assets net of amortization increased by $2.4 M to total $608.9 M relative to the March 31, 2020 Financial Statements ($606.5 M). This total includes $17.6 M of purchases of gross capital assets, less the charges for amortization of $15.2 M. The major works concerned by these acquisitions are those of the Jacques Cartier Bridge ($13.9 M), the Honoré Mercier Bridge ($2.6 M) and the Melocheville Tunnel ($0.7 M).

Government Funding

The following table summarizes the public funding for the second quarter of the current fiscal year as at September 30, 2020:

(In thousands of dollars)	Second Quarter		Cumulative (six months)	
	2020-2021	2019-2020	2020-2021	2019-2020
Public funding for operating expenses	57,637	36,824	85,358	63,897
Public funding for tangible capital assets	12,261	3,450	17,557	15,197
TOTAL	**69,898**	**40,274**	**102,915**	**79,094**

Section 3.4 presents the results of the use of parliamentary appropriations.

3.1.2 Expenses

Maintenance

Maintenance expenses during the first two quarters represent 89.6% (86.8% as at September 30, 2019) of the total cumulative expenses.

For the six months ended September 30, 2020, the maintenance expenses, including amortization, totalled $90.7 M and are mainly distributed as follows:

+ $26.7 M for work for the Jacques Cartier Bridge;
+ $32.2 M for work for the Champlain Bridge;
+ $9.8 M for work for the Honoré Mercier Bridge;
+ $4.1 M for work for the Île des Sœurs Bypass Bridge;
+ $6.0 M for work for the Bonaventure Expressway;
+ $1.4 M for work for the Champlain Bridge Estacade;
+ $0.4 M for work for the Melocheville Tunnel;
+ $7.6 M for salaries and employee benefits;
+ $2.5 M for various other projects and equipment.

Operations

Operating expenses during the first six months totalled $2.0 M ($1.7 M as at September 30, 2019). These figures represent 2.0% of total expenses (2.1% as at September 30, 2019).

Administration

The administrative expenses of the first six months total $7.4 M and remained relatively stable compared to the same period of the previous fiscal year ($8.1 M as at September 30, 2019). During the first two quarters, administrative expenses represented 6.2% (8.2% as at September 30, 2019) of total expenses (including capital asset acquisitions). This rate varies, notably in relation to the major maintenance expenditures. The Corporation's objective is not to exceed 6%.

3.2 CASH FLOW

JCCBI's cash position remained stable at $33.5 M as at September 30, 2020 ($33.5 M as at March 31, 2020) and is closely linked to the payments of the federal parliamentary appropriations. As at September 30, 2020, the net amount receivable from government departments and agencies amounted to $27.3 M ($1.2 M as at March 31, 2020).

3.3 STRATEGIC ISSUES AND RISKS

As a parent Crown corporation, JCCBI must meet the requirements of and comply with the obligations prescribed by the various legislations applicable thereto.

3.3.1 Asset Management

JCCBI's priority is to ensure the mobility of users and the sustainability of its assets while ensuring the safety of the structures under its responsibility. The ageing of the assets and the adequate funding required for both their maintenance and their rehabilitation are not only challenges but also create real risks that the Corporation must mitigate in order to ensure the safety of the infrastructures, as well as that of daily users.

The bridges and other structures managed by the Corporation are old and have been subjected to years of heavy and increasing traffic, changing and harsh weather conditions and extensive use of abrasives and road salt.

In order to determine the actual condition of its structures as well as their damage level, and to generate the asset maintenance plans, JCCBI recently took another step forward by finalizing a complete and comprehensive summary report of its asset management approach's important milestones. This report presents all the inspection, diagnostic and additional study activities that were carried out over the past year and that led to the development of the asset maintenance master plans for each asset under JCCBI's responsibility.

JCCBI is proud of this important achievement that ensures investment optimization and risk management. The year 2020-2021 will be marked by several other initiatives to ensure the deployment of the philosophical approach to asset management. To this end, a communication and training plan for more than 150 employees on the new asset management policy is in the process of being implemented.

As planned, a comparative positioning analysis is underway. Based on the results of this analysis, an asset management action plan will be developed in which the use, integrity and availability of data will play a central role.

3.3.2 Major Projects

Jacques Cartier Bridge

In order to maintain the Jacques Cartier Bridge in a long-term perspective, a retrofit plan has been developed, including the following work for the current fiscal year:

+ Considering the demand to maintain the bicycle path in operation during the winter, the preliminary project study concerning the measures to be put in place to respond to this demand in a safe manner has been completed. During the fiscal year, the Corporation announced its decision to open the multifunctional path and sidewalk to users starting in the winter of 2020-21, from 6 a.m. to 10 p.m. daily, except when conditions will not permit and with possible closures on weekends, when required to complete the path's maintenance;
+ The contract for the construction of the fibre optic loop was awarded in the fall of 2018 and, at the end of fiscal year 2019-2020, most of the work had been completed. Some work had to be postponed and will be completed in the third quarter of fiscal year 2020-2021;
+ During the second quarter, the contract to enhance the lands under the Jacques Cartier Bridge was awarded and the work has begun. A portion of the work had to be postponed to 2021-2022 due to the delay in the call for tenders following the corporate decision to rehabilitate the site;
+ A preliminary project study on the increase in the service offer to active transportation users continued in the second quarter. The objective of this study is to allow safe passage for cyclists and pedestrians throughout the year, to reduce the risk of accidents and to improve user-friendliness and safety, all within an approach based on a global vision of the network and sustainable development;
+ A detailed preliminary project study report and a complementary study to further develop the seismic component to ensure the sustainability of the Île Sainte-Hélène pavilion were submitted during the third quarter of 2019-2020. In view of the preliminary conclusions of the seismic analysis and of the costs related thereto, the seismic component will be included in another overall seismic reinforcement project. This project is scheduled to start in the third quarter of 2020-2021;
+ The construction of the new building and new layout of the adjacent yard for the Operations and Maintenance Division began as scheduled in the second quarter of 2020-2021. Certain issues are currently being analyzed and a mitigation plan will be deployed to limit the impact on the schedule.

Champlain Bridge and Estacade

Following the signing of the design-build contract with NHSL in June 2020, the contractor began mobilization on Île des Sœurs and Estacade wharf sites.

First milestone of the on-site work, the deconstruction of the bridge elements between Axes 42W and 44W on Île des Sœurs was completed on schedule.

During the second quarter, the contractor began construction of jetties in the river on the side of Île des Sœurs. The work will continue during the third quarter of 2020-2021.

Meetings with citizens will be held in the fall of 2020, notably in the sectors of Île des Sœurs and Brossard, to present the details of the project.

In 2019, JCCBI began a consultation process with certain project stakeholders to promote the use of materials from the original Champlain Bridge on other projects in the Greater Montreal area. In the fall of 2020, the Corporation plans to conclude agreements in this regard with certain municipalities.

With respect to the Estacade, a preliminary project study was initiated during the second quarter to repair foundation units as well as the deck bearings.

Bonaventure Expressway

The work to maintain the Bonaventure Expressway, namely the milling and paving work and the repairs to box girders, is continuing.

The preliminary project studies for the reconfiguration of sections 11 and 12 of the expressway into an urban boulevard are also continuing.

No new risks or changes are to be reported for the second quarter.

Île des Sœurs Bypass Bridge

The preliminary project study for the deconstruction of the Île des Sœurs Bypass Bridge has been completed. This study notably describes the preferred deconstruction method. The detailed preliminary project study has begun.

No new risks or changes are to be reported for the second quarter.

Honoré Mercier Bridge

The major rehabilitation program to repair the piers and replace the paint coating has been adjusted due to the impacts of the pandemic on the execution of the work. Part of the work planned for 2020-2021 has been postponed to 2021-2022. However, the preparation of the tender documents as well as the calls for tenders have progressed as planned. The launch of the last call for tenders for fiscal year 2020-2021 is scheduled for the third quarter.

During the second quarter of 2020-2021, a sustained coordination effort was made with the local authorities to carry out the investigations necessary to complete the preliminary project studies for the connection of the bridge's multifunctional path to the municipal network, the validation of the bank stability, the environmental characterization of the land and the development of a memorial circuit. The impacts of the pandemic have been significant on the coordination process. Based on the developments, the timelines will be confirmed in the third quarter of 2020-2021.

3.3.3 Environment and Sustainable Development

JCCBI participates in the FCSAP administered by Environment and Climate Change Canada for the implementation of mitigation measures to contain and treat the contaminated groundwater on lands in the Bonaventure Expressway sector (East and West Sectors) along the St. Lawrence River.

The operation of the East Sector system is underway. This technological solution aims at stopping the migration of hydrocarbons to the St. Lawrence River.

The West Sector's containment and treatment system is the subject of a partnership with the Quebec government (*ministère de l'Environnement et de la Lutte contre les changements climatiques*). JCCBI is in the process of transferring the knowledge to an external firm that will provide JCCBI, over the next three years, with the necessary technical support to ensure the continuous operation of this complex system that consists of a 32-capture well hydraulic barrier and a treatment plant.

In order to manage the environmental risks and meet both the corporate and the Government of Canada's environmental and sustainable development objectives, a series of initiatives continued over the past year:

+ The Corporation has developed a comprehensive characterization plan for its lands which, once completed, will make it possible to establish with greater precision all the actions required for the remediation and control of the contaminants during the execution of the projects and thus reduce the risks related to these issues. The terms of reference for the five-year land characterization contract are currently under development;
+ The internal communication on the future alignment of the internal sustainable development approach with the *Federal Sustainable Development Act* (FSDA) and underlying strategy thereof was completed. JCCBI has recently prepared, on a voluntary basis, its new sustainable development strategy under the FSDA, which was filed with the relevant authorities in September 2020;
+ The start of the deconstruction work on the original Champlain Bridge means that rigorous monitoring of the proper management of sediment, soils, water and materials will be required Such monitoring will be ensured through a comprehensive traceability system. In addition, the biodiversity compensation obligations for habitat loss are in the process of being assessed. This project also opens the door to the development of various programs such as carbon neutrality, in-situ and ex-situ research projects, planning for the development of the assets along the river through consultation and co-design activities with the public, as well as the steps towards external recognition of leadership in sustainable development, which will be carried out in parallel with the deconstruction work.

3.3.4 Occupational Health and Safety (OHS)

The OHS Division continues to update the Corporation's OHS management program. This program is evolving and now covers the management of OHS communications. Safe work procedures have been developed to evaluate and manage the risks present in the work environment, notably those related to outdoor work involving insects, wildlife and flora. In addition, a guide to the hygiene measures in place in JCCBI offices as well as a safe work directive that governs workplace visits during a pandemic have been produced. This entire process is carried out in collaboration with the local OHS Committee and with the divisions concerned in order to reflect the vision of the Corporation's OHS reality.

3.3.5 Sustainable Funding

JCCBI is mainly funded through parliamentary appropriations from the Government of Canada. Revenue from other sources, namely leases and permits, contributes to its funding, but very minimally. JCCBI must optimize the maintenance and rehabilitation of ageing infrastructures in order to maximize their lifespan and safety.

JCCBI has received funding for its projects until 2022-2023, thus mitigating the risks associated with the deterioration of bridges and structures. However, this medium-term financing has an impact on its ability to forecast and award medium and long-term contracts.

For the projects relating to the Bonaventure Expressway sector (East and West Sectors) contaminated groundwater, despite the funding received for years 2018-2019 to 2022-2023 and the FCSAP funding, the need for long-term funding over a 15-year period (calculated as of 2016-2017) remains imperative.

3.3.6 Human Resources Management

To remain an attractive and constantly evolving organization, JCCBI implements actions to stimulate the development and commitment of its employees in an innovative environment, while ensuring a climate of goodwill and collaboration.

In order to retain its employees, JCCBI ensures professional development and succession planning by putting their talents to use, all in line with the 2020-2023 strategic plan.

The health and well-being initiative based on the “Healthy Enterprise” standard and the multiculturalism initiative are in the process of being carried out. Multidisciplinary deployment committees have been created to develop and carry out the action plan activities.

JCCBI has also initiated the development of its Employer brand. The development and deployment of the action plan have made it possible to consolidate expectations and launch the project, which is scheduled to be carried out over a period of three years.

These human resources management initiatives are aimed at improving the employee experience and stimulating organizational recognition, all in order to position the Corporation as “Best Employer”.

The pandemic caused by COVID-19 forced JCCBI to make numerous adjustments and adapt its activities and programs affecting all employees.

3.3.7 Information Technologies (IT)

As part of its IT risk management, JCCBI awarded a contract for business continuity, which comprises the following three phases:

1- Management Structure and Framework – completed in the first quarter of 2020-2021;
2- Business Impact Analysis (BIA) – in progress;
3- Business Continuity Strategy – to come.

Phase 2 consisted of updating the BIA by re-evaluating the critical functions. Phase 2 made it possible to identify the key functions, the applications and the computer programs that are critical to operations. This phase also made it possible to identify additional elements that are critical to the Corporation’s operations. The critical functions will become the reference base that will support JCCBI’s divisions in the development of a business continuity strategy (Phase 3) to begin in the next quarter.

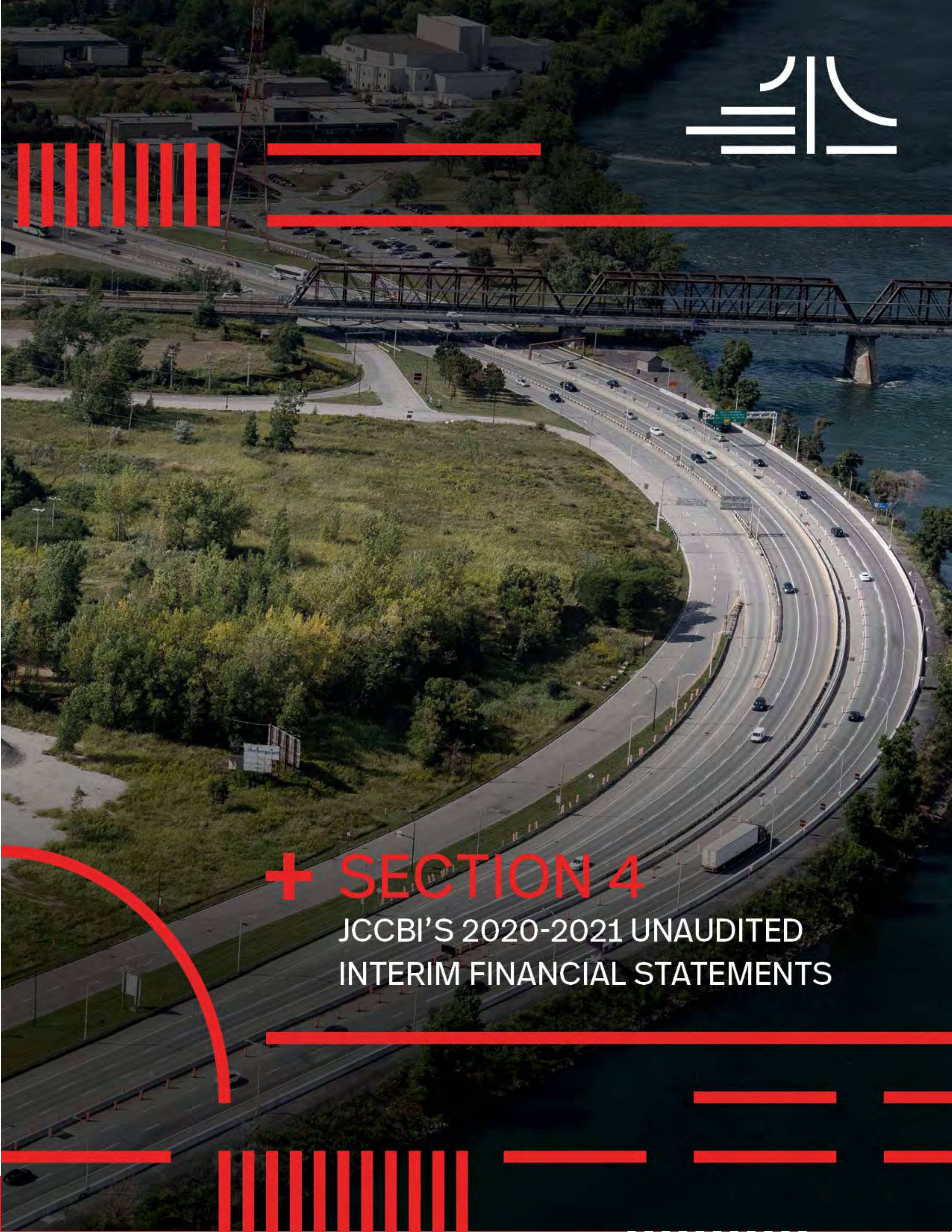
Phishing tests and employee awareness activities are conducted on a continuous basis.

3.4 REPORT ON THE USE OF APPROPRIATIONS

According to planning, the parliamentary appropriations available for the current fiscal year total $328 M.

(In thousands of dollars)	As at September 30, 2020			As at September 30, 2019		
	Operations	Capital	Total	Operations	Capital	Total
Main Estimates	278,758	48,862	327,620	250,507	72,181	322,688
Available Funding	**278,758**	**48,862**	**327,620**	**250,507**	**72,181**	**322,688**
Parliamentary Appropriations (1)						
+ Used	85,358	17,557	102,915	63,897	15,197	79,094
+ Required	193,400	31,305	224,705	186,610	56,984	243,594
Total Parliamentary Appropriations	**278,758**	**48,862**	**327,620**	**250,507**	**72,181**	**322,688**

(1) Generally, JCCBI receives its funding only once the expenses have been incurred.



SECTION 4

JCCBI'S 2020-2021 UNAUDITED INTERIM FINANCIAL STATEMENTS

4. JCCBI'S 2020-2021 UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2020, JCCBI's unaudited Interim Financial Statements have been prepared by management, reviewed by the Audit Committee and approved by JCCBI's Board of Directors. JCCBI's external auditors have not audited or reviewed these unaudited Interim Financial Statements.

4.1 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management of The Jacques Cartier and Champlain Bridges Incorporated ("the Corporation") is responsible for preparing the Financial Statements in accordance with the Canadian Public Sector Accounting Standards. This responsibility requires the selection of appropriate accounting principles and the ability to exercise judgment in establishing reasonable estimates.

Management maintains appropriate financial systems and internal controls. These systems and practices are designed to provide reasonable assurance as to the reliability of financial information and to ensure that the Corporation's assets are adequately safeguarded, that its resources are managed economically and efficiently, and that its transactions are conducted efficiently. These systems and practices are also designed to provide reasonable assurance that the Corporation's transactions are duly authorized and carried out in accordance with the directions issued under section 89 and Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act*, The *Jacques Cartier and Champlain Bridges Inc. Regulations*, made under the *Canada Marine Act*, and the articles and by-laws of the Corporation.

The Board of Directors is made up of six Directors and the Chief Executive Officer of the Corporation. The Board, through the Audit Committee, ensures that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee meets with management and the auditors to review the manner in which these groups are fulfilling their responsibilities as well as to discuss the audit, internal controls and other relevant financial issues. The Financial Statements are reviewed and approved by the Board of Directors on the recommendation of the Audit Committee.

The Auditor General of Canada audits the Corporation's Financial Statements and his report indicates the scope of his audit and his opinion on the Financial Statements.

Sandra Martel, Eng. Chief Executive Officer	Claude Lachance, CPA-CMA, MBA, ASC Senior Director, Administration

November 19, 2020

4.2 STATEMENT OF FINANCIAL POSITION

(Unaudited – in Canadian Dollars)

	September 30, 2020	March 31, 2020
	$	$
Financial Assets		
Cash	33,477,215	33,506,048
Accounts receivable (Note 4.6.3)	38,142,970	1,841,819
Total Financial Assets	**71,620,185**	**35,347,867**
Liabilities		
Accounts payable and accrued liabilities (Note 4.6.4)	65,152,450	29,003,524
Employee future benefits	511,417	530,545
Contractual holdbacks (Note 4.6.5)	4,247,372	4,214,047
Deferred revenue	140,768	229,907
Environmental obligations (Note 4.6.6)	34,649,000	34,396,000
Total Liabilities	**104,701,007**	**68,374,023**
Net Debt	**(33,080,822)**	**(33,026,156)**
Non-Financial Assets		
Tangible capital assets (Note 4.6.7)	608,874,005	606,449,339
Prepaid expenses	886,679	1,065,886
Total Non-Financial Assets	**609,760,684**	**607,515,225**
Accumulated Surplus	**576,679,862**	**574,489,069**

CONTINGENCIES, DECONSTRUCTION OF THE ORIGINAL CHAMPLAIN BRIDGE
(Notes 4.6.9 and 4.6.13)

The accompanying notes form an integral part of the unaudited Interim Financial Statements.

Approved by the Board of Directors

Director

Director

4.3 STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

(Unaudited – in Canadian Dollars)

	Twelve (12) Months Ended	Six (6) Months Ended			
	March 31, 2021	September 30, 2020		September 30, 2019	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$	$
Revenue					
Leases and permits	597,000	130,483	254,243	149,358	298,239
Interest	793,000	90,797	215,284	221,834	417,837
Other sources	---	410	843	2,005	16,515
Total Revenue	**1,390,000**	**221,690**	**470,370**	**373,197**	**732,591**
Expenses (Note 4.6.11)					
Maintenance	273,669,000	60,647,537	90,714,224	39,551,165	72,011,735
Operations	4,554,000	1,092,658	2,044,885	999,824	1,748,231
Administration	17,879,000	3,003,436	7,399,499	3,667,287	8,074,234
Environmental obligations	(1,585,000)	700,110	1,035,455	202,595	1,078,526
Loss on disposal of tangible capital assets	---	---	---	6,366	6,366
Total Expenses	**294,517,000**	**65,443,741**	**101,194,063**	**44,427,237**	**82,919,092**
Deficit before Government of Canada funding	(293,127,000)	(65,222,051)	(100,723,693)	(44,054,040)	(82,186,501)
Portion of transfer payments for operating expenses (Note 4.6.12)	278,758,000	57,637,469	85,357,560	36,823,803	63,897,106
Portion of transfer payments for tangible capital assets (Note 4.6.12)	48,862,000	12,260,768	17,556,926	3,449,640	15,197,525
Annual Operating Surplus (Deficit)	**34,493,000**	**4,676,186**	**2,190,793**	**(3,780,597)**	**(3,091,870)**
Accumulated Operating Surplus, Beginning of the Year	**604,451,000**	**---**	**574,489,069**	**---**	**565,896,680**
Accumulated Operating Surplus, End of the Year	**638,944,000**	**---**	**576,679,862**	**---**	**562,804,810**

The accompanying notes form an integral part of the unaudited Interim Financial Statements.

4.4 STATEMENT OF CHANGE IN NET DEBT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

(Unaudited – in Canadian Dollars)

	Twelve Months Ended	Six Months Ended		Six Months Ended	
	March 31, 2021	September 30, 2020		September 30, 2019	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$	$
Annual Operating Surplus (Deficit)	**34,493,000**	**4,676,186**	**2,190,793**	**(3,780,597)**	**(3,091,870)**
Acquisition of tangible capital assets (Note 4.6.7)	(62,776,000)	(12,260,768)	(17,556,926)	(3,449,640)	(15,197,525)
Amortization of tangible capital assets (Note 4.6.7)	29,868,000	7,569,428	15,132,260	7,328,012	18,015,397
Gain on disposal of tangible capital assets	---	---	---	(14,500)	(14,500)
Proceeds from disposal of tangible capital assets	---	---	---	14,500	14,500
Loss on disposal of capital assets	---	---	---	6,366	6,366
Total Variation Due to Tangible Capital Assets	**(32,908,000)**	**(4,691,340)**	**(2,424,666)**	**3,884,738**	**2,824,238**
Acquisition of prepaid expenses	---	(475,866)	(763,463)	(500,784)	(826,454)
Use of prepaid expenses	---	562,127	942,670	481,046	810,260
Total Variation Due to Prepaid Expenses	**---**	**86,261**	**179,207**	**(19,738)**	**(16,194)**
(Increase) decrease in Net Debt	**1,585,000**	**71,107**	**(54,666)**	**84,403**	**(283,826)**
Net Debt, beginning of the Year	**(22,822,000)**	**---**	**(33,026,156)**	**---**	**(24,910,855)**
Net Debt, End of the Year	**(21,237,000)**	**---**	**(33,080,822)**	**---**	**(25,194,681)**

The accompanying notes form an integral part of the unaudited Interim Financial Statements.

4.5 STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

(Unaudited – in Canadian Dollars)

	Six Months Ended			
	September 30, 2020		September 30, 2019	
	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$
Operating Transactions				
Annual Operating Surplus (Deficit)	**4,676,186**	**2,190,793**	**(3,780,597)**	**(3,091,870)**
Non-cash items				
Amortization of tangible capital assets (Note 4.6.7)	7,569,428	15,132,260	7,328,012	18,015,397
Loss on disposal of tangible capital assets	---	---	6,366	6,366
Gain on disposal of tangible capital assets	---	---	(14,500)	(14,500)
Changes in environmental obligations	566,000	886,000	157,600	853,600
Changes in other items				
Increase in accounts receivable	(26,147,424)	(36,301,151)	(1,192,499)	(4,412,995)
Decrease in accounts payable and accrued liabilities	15,213,758	29,439,348	5,619,531	2,489,354
Increase in employee future benefits	(57,845)	(19,128)	(35,141)	(28,368)
Increase (decrease) in contractual holdbacks	326,602	33,325	(412,431)	(1,786,800)
Decrease in deferred revenue	(72,735)	(89,139)	(92,897)	(113,874)
Decrease (increase) in prepaid expenses	86,261	179,207	(19,738)	(16,194)
Decrease in environmental obligations	(493,000)	(633,000)	(226,600)	(557,600)
Cash Flow Provided by Operating Transactions	**1,667,231**	**10,818,515**	**7,337,106**	**11,342,516**
Tangible Capital Asset Investment Activities				
Proceeds from disposal of tangible capital assets	---	---	14,500	14,500
Cash used to acquire tangible capital assets	(7,560,848)	(10,847,348)	(5,295,807)	(18,837,487)
Cash flow used for tangible capital asset investment activities	**(7,560,848)**	**(10,847,348)**	**(5,281,307)**	**(18,822,987)**
Increase (Decrease) in Cash	**5,893,617**	**(28,833)**	**2,055,799**	**(7,480,471)**
Cash, Beginning of the Year	**---**	**33,506,048**	**---**	**47,832,852**
Cash, End of the Year	**---**	**33,477,215**	**---**	**40,352,381**

The accompanying notes form an integral part of the unaudited Interim Financial Statements.

4.6. NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

4.6.1 Authority and Activity

The Jacques Cartier and Champlain Bridges Incorporated ("the Corporation") was incorporated on November 3, 1978, under the *Canada Business Corporations Act*, as a wholly owned subsidiary of the St. Lawrence Seaway Authority. On October 1, 1998, it became a wholly owned subsidiary of The Federal Bridge Corporation Limited (FBCL). On February 13, 2014, pursuant to an Order in Council from the Governor in Council, FBCL transferred all its shares in The Jacques Cartier and Champlain Bridges Incorporated to the Minister of Infrastructure, Communities and Intergovernmental Affairs on behalf of Her Majesty in right of Canada. After this transfer, the Corporation became a parent Crown corporation listed under Part I, Schedule III of the *Financial Administration Act*.

Since December 1, 1978, the Corporation has been responsible for the management, maintenance and control of the Jacques Cartier Bridge, the original Champlain Bridge and a section of the Bonaventure Expressway. On October 1, 1998, in accordance with a directive issued by the Minister of Transport under the *Canada Marine Act*, the Corporation became responsible for managing the federal section of the Honoré Mercier Bridge and the Melocheville Tunnel. The management of the Champlain Bridge Estacade was transferred to the Corporation from the Minister of Transport on December 2, 1999. On April 1, 2015, the south and north approaches to the Champlain Bridge were transferred by Order in Council, meaning the Corporation is no longer responsible for the management and maintenance of the lands and structures constituting the transferred assets. By letter dated May 3, 2018, the Minister of Infrastructure and Communities confirmed that the Corporation was mandated to undertake the deconstruction of the original Champlain Bridge in accordance with the principles of sustainable development upheld by the Corporation.

In July 2015, the Corporation received a directive (*P.C. 2015-1112*) under section 89 of the *Financial Administration Act* to harmonize its travel, hospitality, conference and event expenditure policies, guidelines and practices with the Treasury Board of Canada's policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations and to report on the implementation of this directive in its next corporate plan. The Corporation confirms that it has met the requirements of this directive since December 2015.

The Corporation is not subject to income tax legislation.

The Corporation is dependent on the Government of Canada for its funding.

4.6.2 Significant Accounting Policies

These Financial Statements have been prepared by management in accordance with the Canadian Public Sector Accounting Standards (CPSAS).

The main accounting policies followed by the Corporation are the following:

Government Transfers

Government transfer payments are recognized as revenue when the transfer is authorized and eligibility criteria are met, except to the extent that the stipulations give rise to an obligation that meets the definition of a liability. The transfers are recognized as deferred revenue when stipulations lead to the creation of a liability. The revenue is recognized in the Statement of Operations as the stipulations are met. Any portion of government transfers to which the Corporation is entitled, but has not yet received, is recognized under "Due from the Government of Canada".

Tangible Capital Assets

Tangible capital assets are recognized at cost. Replacements and major improvements that extend the service life of existing assets are capitalized. Repair and maintenance costs are charged to operations when they are incurred. Costs that increase their service capacity, safety or effectiveness are capitalized.

Amounts related to projects in progress are transferred to the appropriate tangible capital assets category when the project is completed and are amortized in accordance with the Corporation's policy.

Capital assets received as contribution from departments, agencies and Crown corporations within the jurisdiction of the Government of Canada are recognized at their fair market value at the date of transfer.

Tangible capital assets are amortized based on the estimated useful life of the components, on a straight-line basis, over the following periods:

- Bridges and roads: between 5 and 48 years;
- Vehicles and equipment: between 3 and 10 years;
- Leasehold improvements: the lesser of: the useful life or the term of the lease.

When the conditions indicate that a tangible capital asset no longer contributes to the ability of the Corporation to provide services, or that the value of future economic benefits associated with the 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.

Revenue Recognition

Revenue from leases and permits, interest and other sources are recognized in the fiscal year in which they are earned. Revenue from leases and permits collected in advance are recorded as “Deferred revenue” in the Statement of Financial Position.

Employee Future Benefits

- **Pension Plan**: All employees of the Corporation are covered by the Public Service Pension Plan (the “Plan”). This is a contributory-defined benefit plan established by law and sponsored by the Government of Canada. Employees and the Corporation must contribute to the Plan to cover the cost of services rendered during the fiscal year. Under current legislation, the Corporation has no legal or constructive obligation to pay additional contributions to cover past services or to fund deficiencies of the Plan. Consequently, contributions are charged to expenses in the fiscal year during which the employees render the services and these contributions represent the total pension obligation of the Corporation. The Corporation is not required by law to make up for the actuarial deficiencies of the Plan.

- **Post-Employment Benefits and Compensated Absences**: Employees are entitled to days of sick leave and compensation for work injuries, as provided for under their conditions of employment. Employees of the Corporation are subject to the *Government Employees Compensation Act*. Every year, they are paid the unused portion of their days of sick leave. These annual payments are recognized directly in current costs for the fiscal year. Before December 9, 2016, unionized employees accumulated their unused days of sick leave, which were redeemable at the end of their employment with the Corporation. Following the renewal of their collective agreement in December 2016, unionized workers can no longer accumulate unused sick leave days and redeem them at the time of their departure. Employees with a banked leave balance were offered either to keep the balance until they leave or redeem the balance. Moreover, the Corporation recognizes the cost of compensation for work injuries payable at the time the event obligating the Corporation occurs. The liability that these benefits represent is determined based on management's best assumptions in terms of salary increases, age of employees, years of service, the probability of employees leaving, and average life expectancy. These assumptions are reviewed annually. Post-employment benefits and compensated absences are recognized at present value.

Environmental Obligations

Whenever the Corporation accepts responsibility for sites where contamination exceeds environmental standards, when it plans to abandon future economic benefits to that effect, and when the amount involved can be reasonably estimated, an obligation for the remediation of the contaminated sites is recognized as a liability in the Statement of Financial Position. The estimated future costs are recognized 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, the situation will be disclosed through a note to the Financial Statements. Other expenses related to environmental measures are recognized as expenditures as they are incurred.

Financial Instruments

The Corporation identifies, assesses, and manages the financial risks to minimize the impact thereof on its results and financial position. The Corporation neither engages in speculative transactions nor uses derivatives.

The accounting of financial instruments depends on their classification as presented in the following table:

CATEGORIES	FINANCIAL INSTRUMENTS	MEASUREMENT
Financial Assets	Cash Accounts receivable (other than taxes receivable)	Cost or amortized cost
Financial Liabilities	Accounts payable and accrued liabilities Contractual holdbacks	Cost or amortized cost

Contingencies

Contingencies result from uncertain situations whose outcome depends on one or more future events. Contingencies include contingent liabilities and contingent assets.

Contingent liabilities are possible liabilities which could become actual liabilities if one or more future events occur. If it is likely that an event could occur, and a reasonable estimate of the liability can be made, a provision is recognized and an expense is recorded. If the likelihood of the event cannot be determined or if the amount involved cannot be reasonably estimated, a contingency is disclosed in the notes to the Financial Statements.

Contingent assets are possible assets that could become assets if one or more future events occur. If it is likely that the future event will occur, the existence of the contingent asset is disclosed in the notes to the Financial Statements.

Measurement Uncertainty

In preparing the Financial Statements in accordance with the CPSAS, management must use estimates and assumptions that affect the reported amounts of assets and liabilities and the presentation of assets and contingent liabilities at the date of the Financial Statements, as well as the amounts of the revenue and expenses recognized during the period covered by the Financial Statements. Actual results could differ significantly from these estimates.

The significant estimates used in the preparation of these Financial Statements relate, in particular, to the useful life of tangible capital assets, accrued liabilities for major rehabilitation work and claims received from suppliers, the liability for employee future benefits, expected costs for liabilities arising from environmental obligations as well as contingencies.

Budgetary Data

Budgetary data included in the Financial Statements have been provided for comparison purposes and approved by the Board of Directors.

4.6.3 Accounts Receivable

The Corporation's accounts receivable consist of the following:

	September 30, 2020	March 31, 2020
	$	$
Due from the Government of Canada	25,898,237	402,327
Taxes receivable	1,383,417	844,759
Re-invoicing of work to business partners	189,604	88,396
Other accounts receivable	312,233	506,337
Contract advance	10,359,479	---
Total Accounts Receivable	**38,142,970**	**1,841,819**

4.6.4 Accounts Payable and Accrued Liabilities

The Corporation's accounts payable and accrued liabilities consist of the following:

	September 30, 2020	March 31, 2020
	$	$
Suppliers and accrued liabilities	63,903,343	27,501,335
Salaries and employee benefits	1,249,107	1,502,189
Total Accounts Payable and Accrued Liabilities	**65,152,450**	**29,003,524**

4.6.5 Contractual Holdbacks

Contractual holdbacks (including performance holdbacks and warranty holdbacks) represent the total amount that the Corporation temporarily retains on amounts due to contractors during the performance of the work, to guarantee that the latter fulfil their obligations pertaining to the warranties of rectification and correction of defects and poor workmanship in the work performed. The warranty periods applicable to each contract begin following the issuance of the Interim Certificate of Completion for the work concerned. The Corporation then pays the 5% contractual holdback (designated as "performance holdback") and retains a new amount equal to 2.5% as contractual holdback (designated as "warranty holdback").

The contracts provide that the Corporation will pay the second portion of 2.5% of the performance holdback less, where applicable, any amount owed by the contractor under the terms of the contract, once the warranty period has expired.

4.6.6 Environmental Obligations

The Corporation conducts an inventory of all the lands under its management in order to classify their environmental condition and prioritize any required interventions. The Corporation's portfolio comprises a number of lands with soil contamination that exceeds the acceptable criteria. The lands concerned are located under the Jacques Cartier Bridge, under the original Champlain Bridge and along the Bonaventure Expressway.

JCCBI has identified a total of 18 sites (16 as at March 31, 2020) that may be contaminated and require assessment, remediation or a risk management strategy, and monitoring. Among these 18 sites, four have been assessed for which remediation measures or risk management strategies are in place or planned, and for which a liability of $34,649,000 ($34,396,000 as at March 31, 2020) has been recognized.

No liability has been recognized for the other 14 sites. Some of these 14 sites are in various stages of testing and assessment and if either remediation or a risk management strategy is required, a liability will be recognized as soon as a reasonable estimate can be determined. With respect to the other sites, JCCBI does not expect to forego future economic benefits due to the likely absence of environmental impacts or significant threat to human health.

The following table presents the estimated total environmental liability amounts by sector which are based on the following assumptions:

- The discount rates are determined based on the actual zero-coupon yield curve for Government of Canada bond market issued by the Bank of Canada. The discount rate ranges from 0.22% to 0.87% (March 31, 2020 – 0.37% to 1.14%);
- The inflation rate of 3.05% (March 31, 2020 – 3.07%) is based on the non-residential building construction price index.

	September 30, 2020 ($)		March 31, 2020 ($)	
Sectors	**Undiscounted Liability to which the Inflation Rate was Applied**	**Discounted Liability to which the Inflation Rate was Applied**	**Undiscounted Liability to which the Inflation Rate was Applied**	**Discounted Liability to which the Inflation Rate was Applied**
Bonaventure Expressway: East Sector (1)	21,661,000	**20,525,000**	21,718,000	**20,189,000**
Bonaventure Expressway: West Sector (1)	7,894,000	**7,548,000**	8,150,000	**7,653,000**
Jacques Cartier Bridge (2)	2,768,000	**2,759,000**	2,769,000	**2,752,000**
Original Champlain Bridge (3)	3,835,000	**3,817,000**	3,836,000	**3,802,000**
Total	36,158,000	**34,649,000**	36,473,000	**34,396,000**

(1) East and West Sectors of the Bonaventure Expressway

As at September 30, 2020, the priority environmental issue for the Corporation remains that of the lands located in the Bonaventure Expressway sector in Montreal. These lands, which have been managed by the Corporation since 1978, are located on a portion of and close to a former landfill site operated by the City of Montreal between 1866 and 1966. This former landfill site covers several tracts of land belonging to different owners. Since 2003, the Corporation has conducted studies and toxicity tests on the groundwater in this location. The tests revealed that the groundwater is contaminated beyond acceptable criteria. Given the complexity of the issue, the involvement of numerous owners and the significant costs involved, the federal government has focused on integrated solutions to the environmental issues at this site. This site can be divided into two sectors: the East Sector and the West Sector.

For the East Sector, the containment and pumping operations have begun in 2018. For the West Sector, both the containment of groundwater and the operation of the treatment plant have begun in 2017. The Corporation is managing this project. The portion of the costs borne by the Corporation for the West Sector is 50% of the total costs to be incurred.

The obligations of the East and West Sectors represent management’s best estimate of the expected expenses for the containment and pumping operations and are based on the costs of the contracts already awarded. The duration of the operations included in the obligations related to the East and West Sectors is estimated at 15 years.

The duration of the operations will extend beyond this period, but it is impossible, at this time, to determine the costs beyond 15 years. There is no residual value to the projects.

(2) Lands under the Jacques Cartier Bridge

With respect to the lands under the Jacques Cartier Bridge, the Corporation is conducting characterization studies to classify the contaminated sites and determine whether the Corporation needs to remediate the lands or adopt a risk management strategy to limit the contamination. For a section of these lands, a study confirmed the presence of residual materials and soils contaminated with polycyclic aromatic hydrocarbons (PAHs) and metals whose level exceeds the acceptable environmental standards. The lands were contaminated as a result of past commercial and industrial operations. The obligation represents management's best estimate of the expected costs of carrying out the work required to manage drainage water from the Jacques Cartier Bridge and is based on the information available at the date of the Interim Financial Statements. The Corporation has begun to carry out certain decontamination work during the summer of 2020. Said work will extend over a period of approximately two years.

(3) Lands under the Original Champlain Bridge

The Corporation assessed the environmental condition of the lands located under the original Champlain Bridge based on the results of characterizations carried out on adjacent lands. Said characterizations confirmed the presence of soils contaminated by metals, polycyclic aromatic hydrocarbons (PAHs) and petroleum hydrocarbons (PHCs) beyond acceptable criteria. The contamination results from backfill soils from unknown sources. The obligation represents management's best estimate of the expected costs of managing the soils that will be excavated under the bridge and is based on the information available at the date of the Interim Financial Statements. The management of the soils to be excavated under the bridge is planned as part of the deconstruction work, which began in the summer of 2020 and will extend over a period of approximately 43 months.

4.6.7 Tangible Capital Assets

(Unaudited – in Canadian Dollars)

	Lands	Bridges and Roads	Vehicles and Equipment	Leasehold Improvements	Projects in Progress	Total
	$	$	$	$	$	$
COST						
April 1, 2019	5,250,117	831,725,962	3,982,922	1,255,644	21,006,519	863,221,164
Acquisitions	---	19,314,554	934,194	(63,653)	29,177,587	49,362,682
Disposals	---	---	(196,420)	---	---	(196,420)
Transfers	---	17,870,262	---	---	(17,870,262)	---
March 31, 2020	**5,250,117**	**868,910,778**	**4,720,696**	**1,191,991**	**32,313,844**	**912,387,426**
Acquisitions	---	800,681	632,671	56,398	16,067,176	17,556,926
Disposals	---	---	---	---	---	---
Transfers	---	---	---	---	---	---
September 30, 2020	**5,250,117**	**869,711,459**	**5,353,367**	**1,248,389**	**48,381,020**	**929,944,352**
ACCUMULATED AMORTIZATION						
April 1, 2019	---	270,597,313	2,442,849	162,834	---	273,202,996
Amortization	---	32,281,396	361,555	282,194	---	32,925,145
Disposals	---	---	(190,054)	---	---	(190,054)
March 31, 2020	---	**302,878,709**	**2,614,350**	**445,028**	---	**305,938,087**
Amortization	---	14,784,203	205,318	142,739	---	15,132,260
Disposals	---	---	---	---	---	---
September 30, 2020	---	**317,662,912**	**2,819,668**	**587,767**	**---**	**321,070,347**
NET BOOK VALUE						
March 31, 2020	**5,250,117**	**566,032,069**	**2,106,346**	**746,963**	**32,313,844**	**606,449,339**
September 30, 2020	**5,250,117**	**552,048,547**	**2,533,699**	**660,622**	**48,381,020**	**608,874,005**

As at September 30, 2020, “Accounts Payable and Accrued Liabilities” includes acquisitions related to tangible capital assets of $16,222,283 ($9,512,705 as at March 31, 2020).

4.6.8 Share Capital

The authorized share capital is 50 shares without par value and the Corporation has issued and fully paid one share in the amount of $100.

4.6.9 Contingencies

Legal Proceedings and Claims

In the normal course of its operations, the Corporation is subject to claims or lawsuits, the outcome of which cannot be predicted with certainty. Management has made, in the affected accounts, provisions which it deems sufficient, and believes that the resolution of such contingencies should not have any material adverse effect on the Corporation's financial position.

As at September 30, 2020, some contingent assets are under negotiation with business partners and their estimated amount cannot be determined. The contingent assets are not recognized in the Interim Financial Statements.

Other Contingencies

The Corporation was granted a permit to install, maintain and use a cable for closed circuit television signals on lands that it does not own. In the event of termination of this permit, the Corporation will have to remove its facilities, at its expense. As at September 30, 2020, neither the owner of the lands nor the Corporation has indicated its intention to terminate the permit. Therefore, no contingent liabilities related to this capital asset has been recognized.

The Corporation holds structures erected on land whose owner has transferred the management and administration thereof to the Government of Canada. The owner of the land could take back the land in the event of a change in the use thereof, without any indemnity for the structures erected, provided they are in satisfactory condition, at the convenience of the owner. At present, the Corporation has no intention of changing the current use of this land. Therefore, no liabilities related to these capital assets has been recognized.

4.6.10 Related Party Transactions

The Corporation is related in terms of common ownership to all departments, agencies, and Crown corporations created by the Government of Canada, as well as to the Corporation's Board of Director members, Chief Executive Officer and Senior Directors, close family members thereof and entities subjected to the control of said individuals. The Corporation enters into transactions with these entities in the normal course of business. These transactions are recognized at the exchange amount, except for the cost of the audit of the Financial Statements, which is carried out without consideration and not recognized in the Statement of Operations.

4.6.11 Expenses by Type

	September 30, 2020	September 30, 2019
	$	$
Regular and major maintenance	64,972,599	44,283,265
Environmental obligations	1,035,455	1,078,526
Amortization of tangible capital assets	15,132,260	18,015,397
Salaries and employee benefits	11,531,495	10,621,015
Professional services	5,523,702	5,505,082
Goods and services	2,998,552	3,409,441
Loss on disposal of tangible capital assets	---	6,366
Total Expenses	**101,194,063**	**82,919,092**

4.6.12 Transfer payments

	September 30, 2020	September 30, 2019
	$	$
Transfer payments requested	103,739,588	80,897,625
Long-term contractual holdbacks	(825,102)	(1,802,994)
Total Transfer payments Recognized as Revenue	**102,914,486**	**79,094,631**
Distribution		
Portion of transfer payments for operating expenses	85,357,560	63,897,106
Portion of transfer payments for tangible capital assets	17,556,926	15,197,525
Total Transfer payments Recognized as Revenue	**102,914,486**	**79,094,631**

4.6.13 Deconstruction of the Original Champlain Bridge

By letter dated May 3, 2018, the Minister of Infrastructure and Communities confirmed that the Corporation was mandated to undertake the deconstruction of the original Champlain Bridge in accordance with the principles of sustainable development upheld by the Corporation.

On March 5, 2020, the Corporation announced the tenderer selected in the procurement process for the design-build contract. The contract was signed on June 26, 2020.


Participez à la conversation
JacquesCartierChamplain.ca
Twitter | LinkedIn | Facebook | YouTube