



Ponts
JACQUES CARTIER +
CHAMPLAIN
Bridges
Canada

ANNUAL REPORT 20¹⁹₂₀



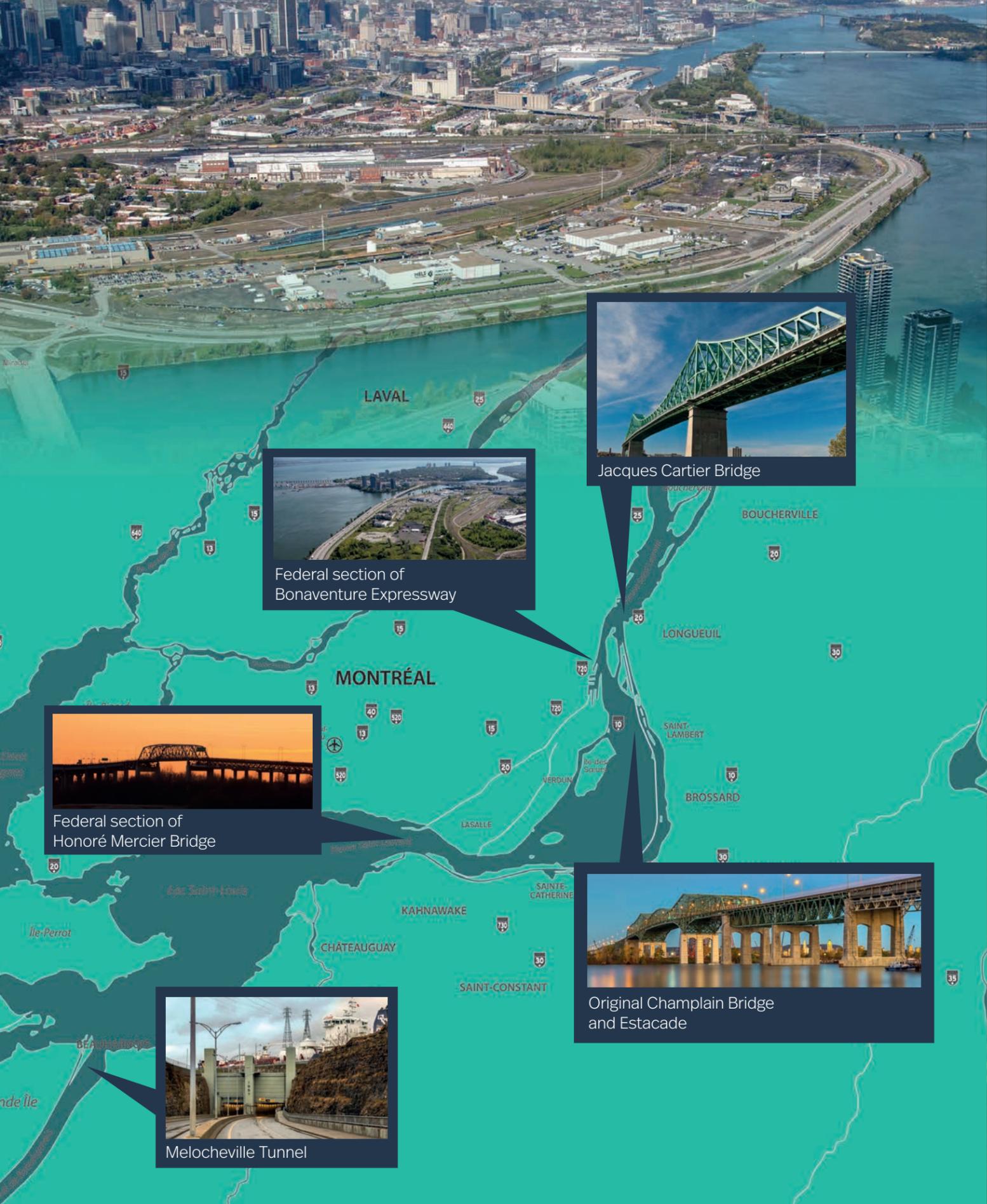
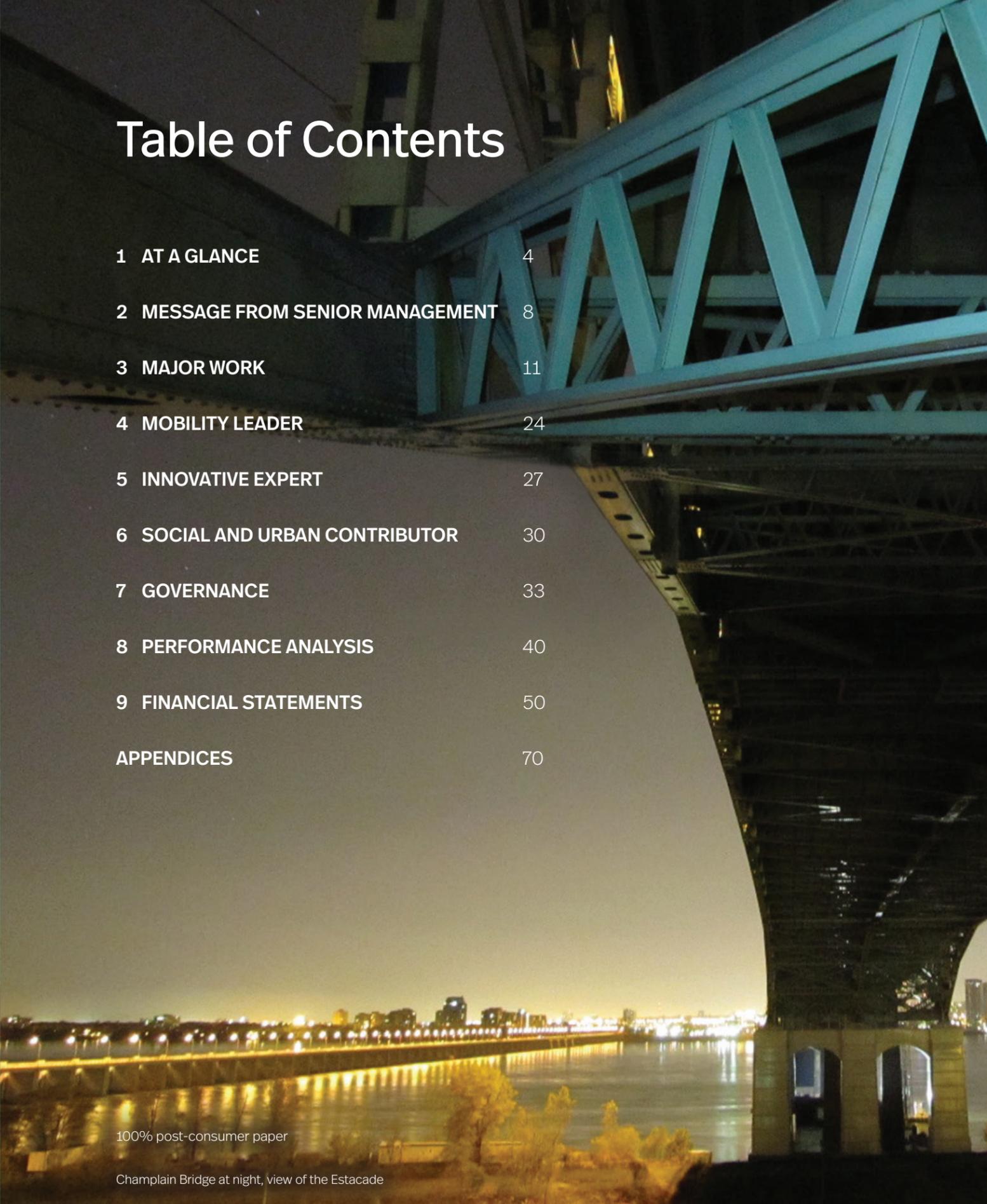


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Champlain Bridge at night, view of the Estacade



AT A GLANCE

Jacques Cartier Bridge and its approaches in Longueuil

About the Corporation

As a manager of important infrastructure, The Jacques Cartier and Champlain Bridges Incorporated (JCCBI) is a federal Crown corporation established in 1978 that is responsible for the Jacques Cartier Bridge, the original Champlain Bridge, the Champlain Bridge Estacade, the Île des Sœurs Bypass Bridge, the federal sections of the Bonaventure Expressway and the Honoré Mercier Bridge, as well as the Melocheville Tunnel.

The Corporation manages, maintains, and repairs these important Greater Montreal structures to ensure the safe passage of thousands of users every day. The Corporation also ensures that these critical structures remain safe, fully functional and aesthetically pleasing for both today and tomorrow. It conducts planning, carries out construction, repair and reinforcement projects, and oversees operations and maintenance for the infrastructure under its responsibility.

Mission

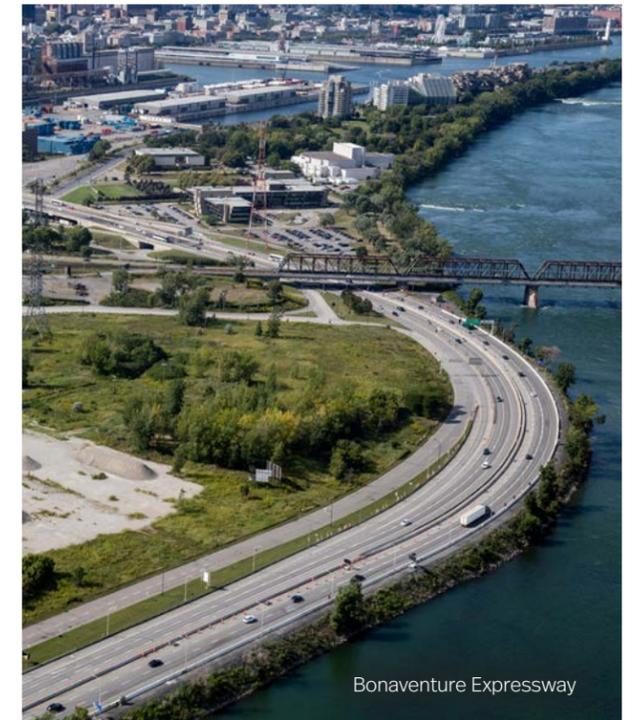
Ensure the mobility of users and the safety and longevity of infrastructure using a systemic management approach based on sustainable development.

Vision

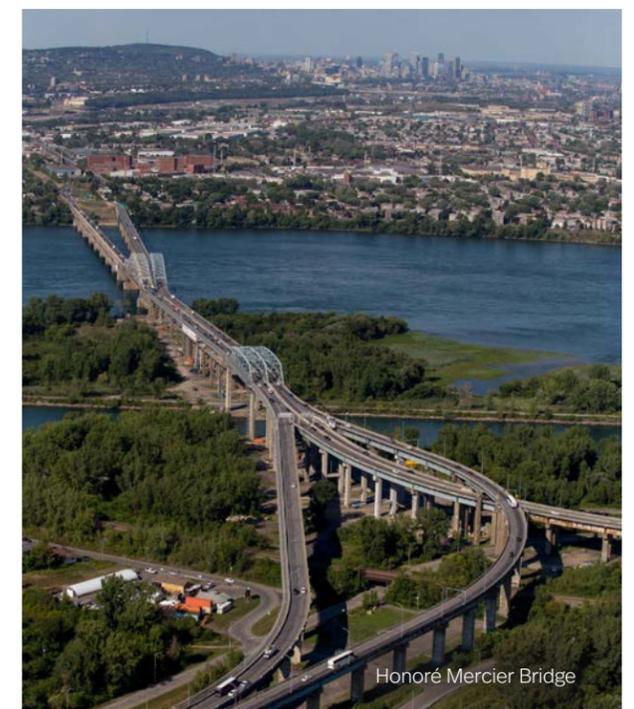
Become a leader in major infrastructure management as an innovative expert, a mobility leader and a social and urban contributor.

Values

- + Team work
- + Transparency
- + Thoroughness
- + Innovation
- + Commitment

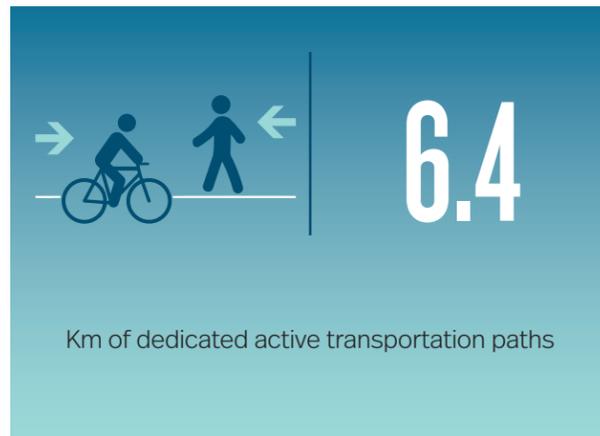
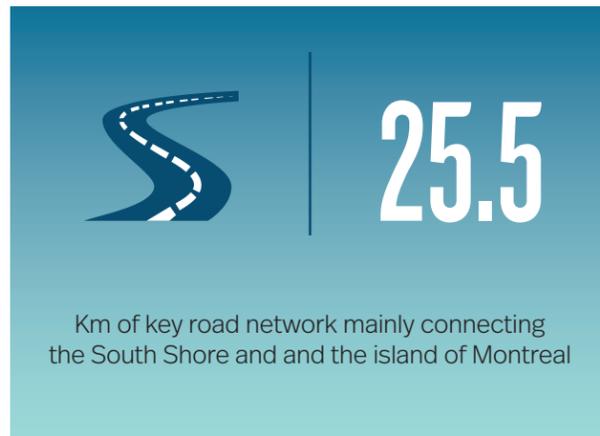
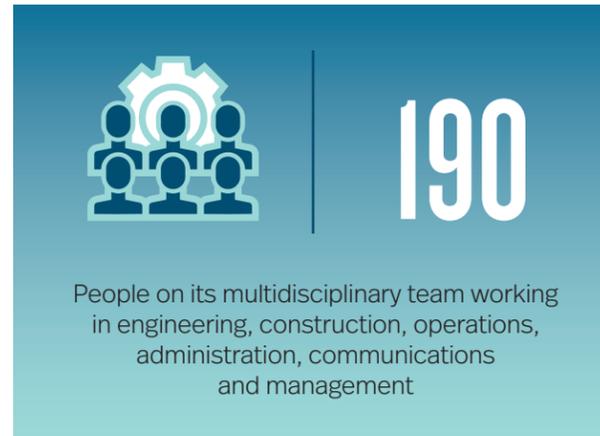


Bonaventure Expressway



Honoré Mercier Bridge

A Few Figures



2019-2020 Highlights

May 1, 2019

Annual media briefing summarizing investments and work planned on the Corporation's structures for 2019-2020.

May 8, 2019

First information days organized for the Champlain Bridge deconstruction project.



May 20, 2019

Appointment of Ms. Sandra Martel as the Corporation's Chief Executive Officer.

June 28, 2019

Champlain Bridge decommissioned after 57 years of service.

November 2, 2019

In collaboration with Heritage Montreal, guided tours of the Champlain Bridge which allowed the public to walk on the bridge and learn more about its history.



December 23, 2019

Start of the winter operation simulation project on the Jacques Cartier Bridge multipurpose path.

March 5, 2020

Nouvel Horizon St-Laurent G.P., constituted of Pomerleau Inc. and Delsan-A.I.M. Environmental Services Inc., is selected to deconstruct the Champlain Bridge.





MESSAGE FROM SENIOR MANAGEMENT

Jacques Cartier Bridge, Montreal sector

Message from the Chairman of the Board of Directors

In 2019-2020, the Corporation's staff put a great deal of effort into preparing for the major project to deconstruct the original Champlain Bridge. These activities included the procurement process to select the tenderer who will be responsible for the deconstruction work, namely Nouvel Horizon St-Laurent G.P.

Our teams also worked hard to continue repairing and maintaining the other infrastructure under the Corporation's responsibility.

On May 20, 2019, the Honourable François-Philippe Champagne, who was Minister of Infrastructure and Communities at the time, announced the appointment of Ms. Sandra Martel as Chief Executive Officer for a five-year term. The composition of the Board of Directors also changed with the June 2019 arrival of new member Mr. Henri-Jean Bonnis and the departure of Mr. Dominique Bouchard. We would like to thank Mr. Bouchard for his significant contribution to our organization over the past four years.



The Board of Directors and its committees continued to monitor the management team to ensure that all organizational risks are effectively managed. We saw the team effectively fulfill its mission while addressing the many challenges of managing a portfolio of major infrastructure in the Greater Montreal area.

On behalf of the members of our Board, I would like to thank the Honourable Catherine McKenna, Minister of Infrastructure and Communities, for her support and trust. I would also like to thank our Chief Executive Officer Ms. Sandra Martel, our management team, and all of our staff for the commitment, the expertise and skills that they contribute to our mission every day. I would also like to acknowledge the invaluable contribution of all our partners who support us in our different projects.

Paul T. Kefalas
Chairman of the Board of Directors

Message from the Chief Executive Officer

Throughout the year, JCCBI's mission is to ensure the safe mobility of users and the longevity of the infrastructure under its responsibility. However, in 2019-2020, our team had the unique experience of decommissioning the Champlain Bridge, one of Canada's busiest bridges and above all a structure that, for many years, had required the Corporation's effort and expertise to remain fully operational. Our team succeeded in this immense civil engineering challenge with the support of our suppliers and partners, and we are proud to say, *Mission accomplished!* For JCCBI, the management of this structure has entered a new phase with the deconstruction project that will start in 2020.

I am also proud of the participatory approach launched in April 2019 that allowed nearly 4,000 people to discover the Champlain Bridge deconstruction project, meet our experts during our information days, or learn more about the project from our online consultation platform. I would like to thank the members of the Advisory Committee who have generously helped us advance this major project.

On JCCBI's other structures, we continued repair and maintenance work with investments of \$115.5 million. The main projects this year were carried out on the Jacques Cartier Bridge and included impressive steel reinforcement and paint-system replacement programs in addition to the paving of the bridge approaches. Work on the federal section of the Honoré Mercier Bridge, which is being done in close collaboration with the Mohawk community of Kahnawá:ke, involved maintaining the steel structures and repairing the piers. Inspection and maintenance work was also carried out on all of our structures as well as research projects to help us better understand our unique infrastructure and while adopting best practices as part of our investment program.



This year we also launched an organization-wide consultation to develop the 2020-2023 Strategic Plan and its related action plan. This broad reflection process involved staff in defining our directions and priorities while increasing their commitment.

In closing, I would like to sincerely thank all of our staff for their dedication and expertise. I am truly honoured to lead this wonderful organization and to work with our team every day so that, together, we can develop our projects for the future.

Sandra Martel, Eng.
Chief Executive Officer



MAJOR WORK

Night work

Jacques Cartier Bridge

Keep the bridge safe and operational until its 150th anniversary by constantly integrating it into its urban environment, promoting alternative transportation, and maintaining traffic flow.

MAJOR WORK

\$53M

End of work to reinforce the steel structure in three sections of the bridge

End of repairs on the two Parc Jean-Drapeau access ramps

Start of the steel repair and paint-system replacement program on part of the superstructure

Start of work to repair the pedestals in the Montreal sector and the concrete abutment in the Longueuil sector

Paving repairs and replacements on the bridge approaches on both the Montreal and Longueuil sides

Winter operation simulation project on the multipurpose path

Continuation of work to install a fibre optic network and an Integrated Traffic Management System and start of the system implementation



Jacques Cartier Bridge in fall

Champlain Bridge

Keep the bridge safe until it is decommissioned; document and enhance our knowledge of the structure to share our expertise with the technical community and other bodies.

MAJOR WORK

\$4.4M

No major work was carried out on the Champlain Bridge between April 1, 2019 and its decommissioning on June 28, 2019. However, JCCBI continued to monitor its structural integrity through inspections and observe its behaviour thanks to hundreds of sensors installed on the bridge.

Deconstruction of the original Champlain Bridge

PRELIMINARY WORKS

\$11.6M

In anticipation of the bridge deconstruction, the first step of the procurement process was held from March 8 to May 28, 2019, namely a public Request for Qualification for design-build services. The three qualified tenderers were invited to submit a proposal.

On July 8, 2019, the selective Call for Proposals for design-build services was launched, and proposals were received on February 4, 2020. Nouvel Horizon St-Laurent G.P., constituted of Pomerleau Inc. and Delsan-A.I.M. Environmental Services Inc., was selected to deconstruct the Champlain Bridge.



Original Champlain Bridge and the new Samuel De Champlain Bridge

Bonaventure Expressway

Keep the expressway safe and integrate its use with new corridors in the sector and active mobility needs while improving access to the river, downtown, the Pointe-Sainte-Charles industrial park, and the Port of Montreal using a sustainable development approach.

MAJOR WORK

\$12.7M

Various repairs to structures in the elevated sections

Various repairs to the surfaces of the non-elevated sections

The non-elevated sections of the Bonaventure Expressway are at the end of their service life. This work is undertaken to keep these sections safe until they can be replaced. Work on the elevated sections, which will remain in place for a longer period, is being done to ensure their integrity.

Solution Bonaventure

Help protect the St. Lawrence River by capturing and treating contaminated groundwater flowing into the river; increase our knowledge in this area and share our expertise.

OPERATING COSTS

\$1.6M

During the fiscal year, the Corporation continued to operate the groundwater containment and treatment system in the west sector and the hydrocarbon capture system in the east sector.



Bonaventure Expressway and Clément Bridge

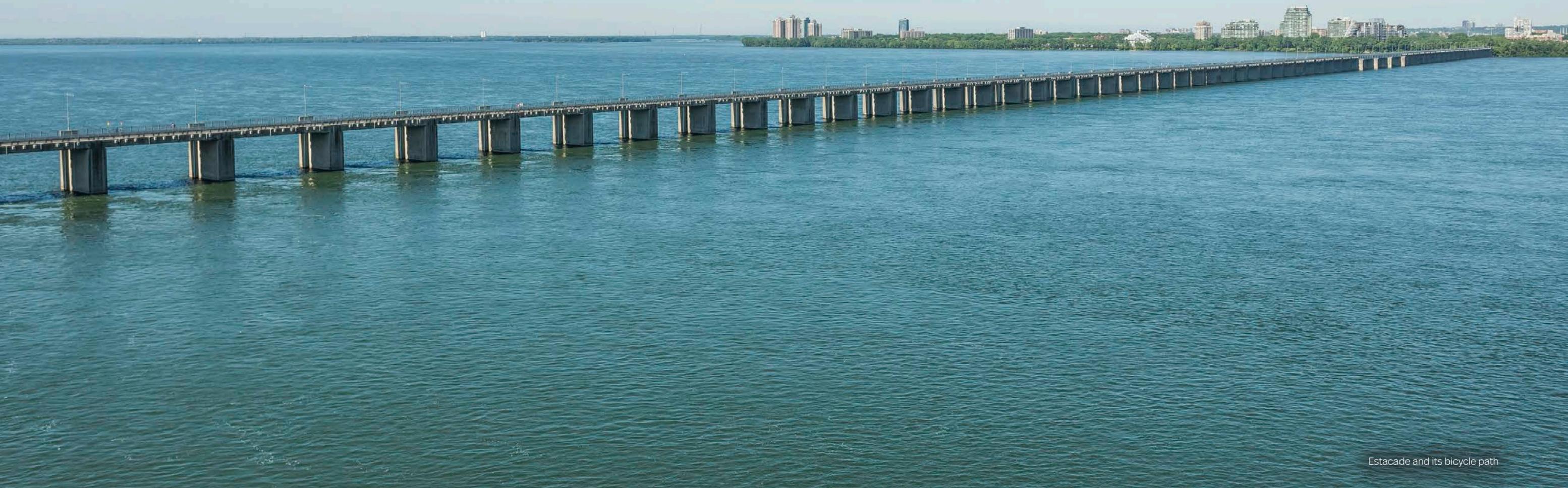
Champlain Bridge Estacade

Extend the service life of this corridor that plays a key role in structural maintenance, ice control, and active transportation while enhancing its social and urban value.

MAJOR
WORK

\$1.1M

No major work was done on the Estacade this year. However, the 2019-2020 inspection program included a general inspection of the structure and a detailed inspection of all access and safety devices.



Estacade and its bicycle path



Honoré Mercier Bridge

Keep the federal section of this bridge safe and operational until its 125th anniversary by constantly integrating it into its local environments and by collaborating with the Mohawk community.

MAJOR WORK

\$24.4M

Pier repairs



Replacement of the paint system on part of the steel structure



Replacement of a section of the gangways used for inspection work



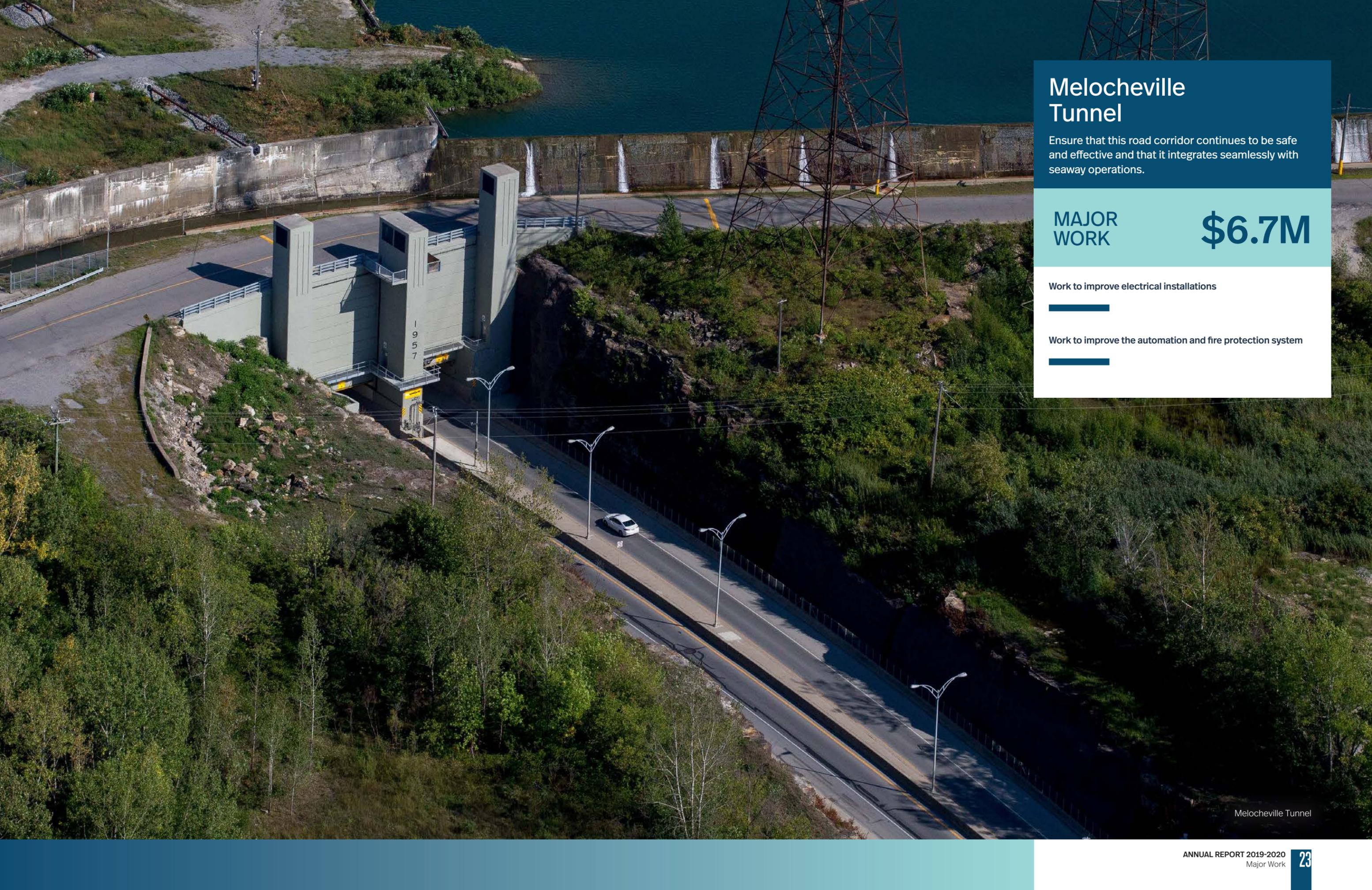
Start of preliminary project studies on repairs to the paving surface, the extension of the bicycle path, and the creation of a memorial pathway on the bridge's southern approach



The pier repair program and painting work on the steel structure of the federal section of the bridge continued during the fiscal year. Part of the gangway used for inspections was also replaced. All of this work was done under the bridge and did not cause any hindrances to traffic. These projects are carried out in collaboration with workers from the Kahnawá:ke community.



Honoré Mercier Bridge and its approaches



Melocheville Tunnel

Ensure that this road corridor continues to be safe and effective and that it integrates seamlessly with seaway operations.

MAJOR WORK

\$6.7M

Work to improve electrical installations



Work to improve the automation and fire protection system



Melocheville Tunnel



4 MOBILITY LEADER

Jacques Cartier Bridge multipurpose path

Mobility: a key part of our mission

Aware of its essential role in Greater Montreal's mobility, JCCBI continued its efforts in 2019-2020 to keep traffic flowing on the road network while it carried out priority work. To mitigate the impact of its projects on traffic, the Corporation implemented detailed planning and measures to optimize work from the river or shoreline. In 2019-2020, it spent \$115.5 million to reinforce and modernize its critical infrastructure to ensure that it remains safe and fully operational.

Bicycle path network

JCCBI gradually opened its cycling network for the 2019 season in April, opening the Jacques Cartier Bridge multipurpose path on April 2 and the path on the Champlain Bridge Estacade on April 15, or the date that the Société du parc Jean-Drapeau opens its bicycle path network and to which the Estacade is connected.



Jacques Cartier Bridge multipurpose path



Estacade and its bicycle path

Winter operation simulation project

In 2019-2020, the Corporation undertook its winter operation simulation project across the entire multipurpose path of the Jacques Cartier Bridge. The project's goal was to refine maintenance, monitoring, and communications protocols in actual conditions and assess the level of service that can be provided safely on the path in the winter. The project was done on a closed circuit with 25 test cyclists. The VéloBus Jacques-Cartier was also set up by the Réseau de transport de Longueuil for cyclists unable to cross the bridge during the winter.

Participation on Mobility Montréal committees

Since its creation in 2011, Mobility Montréal has planned and coordinated the work and mitigation measures of major construction projects in the Montreal region. Mobility Montréal includes about 20 partners from the public and private sectors. JCCBI is an active member of Mobility Montréal and sits on its four committees: technical, communication, advisory and steering.



Jacques Cartier Bridge multipurpose path

Fibre optic loop

The work to install a fibre optic loop linking the Jacques Cartier Bridge, Bonaventure Expressway, Champlain Bridge Estacade, and the new Samuel De Champlain Bridge control centre, was mainly carried out in 2019-2020 and should be completed in late spring 2020.



Fibre optic loop work on the Jacques Cartier Bridge

Integrated Traffic Management System

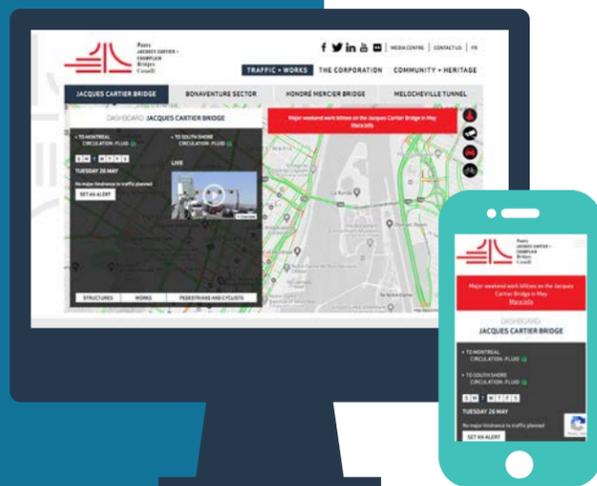
To improve traffic flow, JCCBI is planning to acquire an Integrated Traffic Management System (ITMS) that will be connected to the above-mentioned fibre optic loop. The ITMS will centralize traffic data from sensors, surveillance cameras and variable messaging signs in real time and then process the data to suggest actions to improve traffic flow. The system, which should become operational in winter 2021, will also be used to share information with Greater Montreal's mobility partners.



Traffic on the Jacques Cartier Bridge

Avoiding traffic jams

Road network users can track JCCBI's work in real time by following the Twitter accounts for its main structures. To plan their travel, users can also consult different tools on the website, such as the live traffic feed and cameras, traffic hindrances on the network, and the work schedule. Users can also subscribe to email alerts to get updates about major closures or emergency work on the Corporation's network.



INNOVATIVE EXPERT

Workers inspecting a work site

Champlain Bridge deconstruction

The Champlain Bridge has reached the end of its service life and will be deconstructed starting in 2020 with a sustainable development approach. This major project will last approximately three years and has multiple components: environmental protection, material reuse, research and development, and the Héritage Champlain program.

Environmental protection

Since 2018, rigorous studies and analyses have been conducted to clearly identify the deconstruction work's potential environmental impacts. The project will include environmental protection measures, ecosystem compensation for wildlife habitats, and nuisance mitigation measures to limit the impacts on the community. Also, JCCBI is aiming for the deconstruction project to be carbon-neutral and achieve Envision recognition.

Material reuse

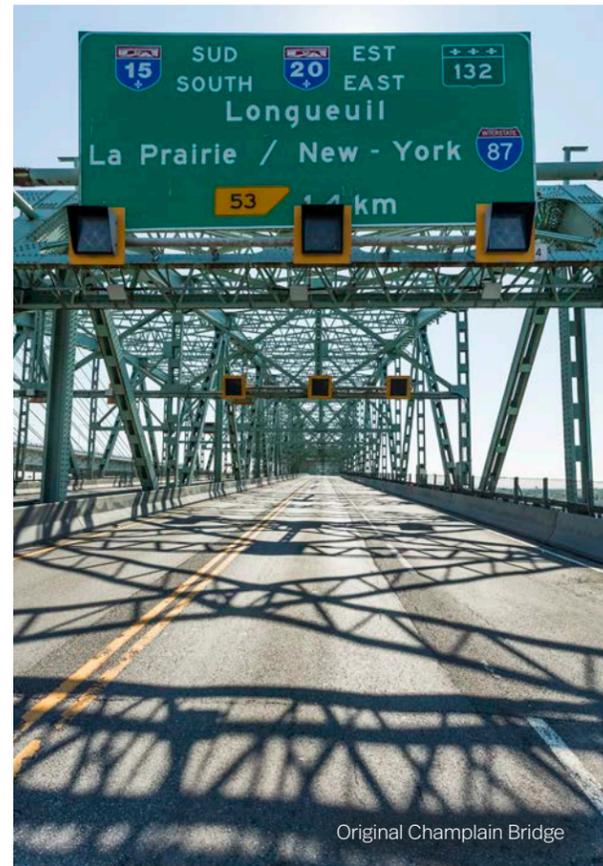
Deconstructing this 3.4-km bridge will generate a huge volume of materials, or nearly 250,000 tonnes of concrete, 25,000 tonnes of steel and 12,000 tonnes of asphalt. JCCBI will deploy a material reuse and enhancement program to reduce its environmental footprint and create benefits for the community. The program will prioritize material reuse, including recycling and a traceability system with real-time georeferencing of the deconstruction materials.

Research and development

The deconstruction project will give JCCBI a unique opportunity to advance knowledge in infrastructure performance and sustainability. After a June 2019 competition among Canadian research bodies, ten projects were selected that will mainly study the concrete and steel components of the bridge as well as certain types of reinforcement. Over 25 researchers from six Canadian universities and the National Research Council Canada will participate in these projects.

Biodiversity enhancement

For this project, environmental studies have demonstrated the need to compensate for fish habitats affected by our work. JCCBI is therefore planning to start projects to create fish spawning sites and implement other multispecies compensation measures.



Original Champlain Bridge

Héritage Champlain

Once the deconstruction is complete, the equivalent of seven hectares of land along the shoreline will be freed up for re-development. The Estacade will also be included in the shoreline redevelopment to be carried out with the community's contribution as part of a social acceptance process. This program is a wonderful opportunity to create a unique site, give the community improved access to the St. Lawrence River, and preserve components of the bridge to commemorate its place in Montreal's history.

Other innovative solutions

Seismic performance study

JCCBI assessed the seismic performance of the Jacques Cartier Bridge with a cutting-edge approach tailored to this iconic structure. This type of study is part of sound asset management to extend the service life of our infrastructure. The findings will be used to evaluate the capacity of the bridge foundations, define its level of seismic performance, and assess the risks and costs of potential seismic reinforcement work. The Corporation had to define performance criteria and the level of service to be expected for a bridge categorized as an *Essential Bridge*.

The search for more durable paint

In collaboration with the Centre de métallurgie du Québec, JCCBI implemented an experimental research project on bridge paint systems. The goal is to find the best paint system for the structures that JCCBI manages as well as the paint that should be used for touch-ups depending on the degree of paint degradation and corrosion. Laboratory and on-site tests will also validate the performance of new paint systems. Over 150 experimental paint strips are in place on the Jacques Cartier Bridge's superstructure. Experts are aiming to reduce the cost of paint work and, ultimately, minimize the structure's life-cycle costs.



Jacques Cartier Bridge



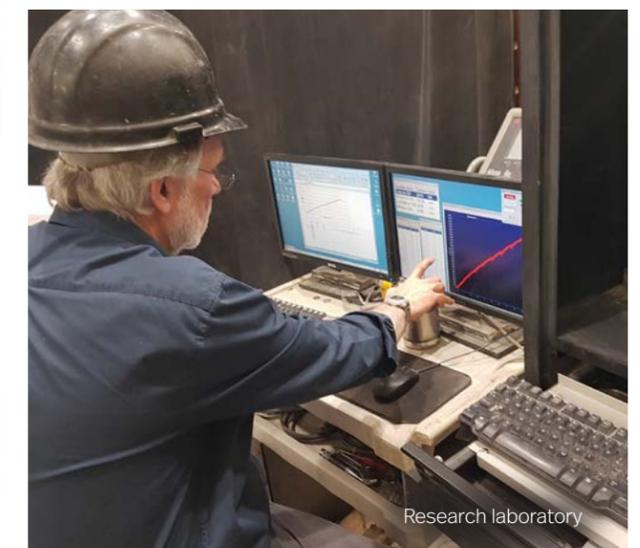
Researchers on the Champlain Bridge

Artificial intelligence to track bridge behaviour

An experimental project is underway on the use of artificial intelligence to develop methods to interpret instrumentation data from the Jacques Cartier Bridge. The preliminary results are very encouraging, as changes or gaps in performance could be predicted thanks to the compiled instrumentation data. With this tool, damage could be anticipated so that proactive work can be performed to extend the bridge's service life. The project is being carried out with a team of researchers from Polytechnique Montréal.

The Corporation shares its innovations

To promote its initiatives and connect with other specialists and professionals, JCCBI participates in different forums to share its knowledge and innovations in various fields. JCCBI experts attended 26 external events notably in transportation, civil engineering, and sustainable development.



Research laboratory

Our SOCIAL AND URBAN CONTRIBUTOR



Information days at the Centre for Sustainable Development

Information days on the Champlain Bridge deconstruction

In May 2019, JCCBI held its first information days that allowed the public to discover the deconstruction project and talk with the experts working on the project. In addition to these four information days, an online consultation period was held from May 8 to June 30, 2019 so that the public could share their comments and suggestions about the project's different aspects.

Citizens' committee

The Corporation is always concerned with improving the daily lives of the communities near its major projects. The Jacques Cartier Bridge Good Neighbourly Relations Committee is a platform for residents and business owners from the Montreal sector to communicate with the JCCBI team. This forum will continue, as significant rehabilitation work to extend the service life of the Jacques Cartier Bridge, will be carried out in the coming years.

Advisory committee for the Jacques Cartier Bridge bicycle path

In 2017, JCCBI set up a committee to formalize and structure talks with groups representing cyclists, pedestrians and partners. These meetings are also used to keep track of current issues and projects and contribute to the promotion of active transportation through safe corridors and safe conduct on this cycling network.



Information days at the Centre for Sustainable Development

University partnerships

The Corporation continues to support the next generation of engineers through different partnership agreements. For example, it provided a total of \$12,000 to support the activities of the faculties of engineering at Polytechnique Montréal, École de technologie supérieure, McGill University, and Université de Sherbrooke. JCCBI also sponsored the 2020 Quebec Engineering Competition and the 2019 Canadian National Steel Bridge Competition.

Partnerships with the industry

JCCBI experts also shared their experience and knowledge at various events in engineering, transportation, mobility and sustainable development, among others. JCCBI experts attended 26 external events as speakers or panellists. Moreover, the Corporation sponsored six technical events for a total of \$ 19,500.

Spectre de rue

To ensure that its work on lands under the Jacques Cartier Bridge can be carried out harmoniously, the Corporation has partnered with Spectre de rue. This non-profit organization has been educating our teams on better cohabitation with marginalized people. It also has a social worker on site full-time to provide a presence in the community.

Sentier urbain

For many years, JCCBI has partnered with Sentier urbain, a non-profit organization whose mission is to get local communities involved in urban agriculture and planting activities. This partnership mainly pertains to the development of the land under the Jacques Cartier Bridge.



JCCBI expert Catalin Petcu gives a talk

Other initiatives that JCCBI supports



April Course des Éclusiers

To ensure the safety of everyone participating in this second edition of the event, JCCBI completely closed the Melocheville Tunnel on Sunday, April 28, 2019.

June to August Les Valoristes

For a 7th year, the Coop Les Valoristes mobile collection site set up camp under the Jacques Cartier Bridge in summer 2019. During its 45 days of operation, over 650,000 returnable beverage containers were collected.

June Grand défi Pierre Lavoie

For the 11th edition of the 1,000-km Grand défi Pierre Lavoie, close to 1,000 cyclists rode over the Jacques Cartier Bridge, which was completely closed to traffic for one hour on Sunday, June 16, 2019.

June and July L'International des Feux Loto-Québec

In keeping with tradition, JCCBI welcomed fireworks fans onto the Jacques Cartier Bridge during eight evenings for the 35th edition of this event held between June 29 and July 27, 2019.



September Opération Bonne Mine

For a few years now, JCCBI has been contributing to the Opération Bonne Mine program of the Société de Saint-Vincent de Paul. Through this program, students from four primary schools receive aid to buy school supplies at the start of the school year.

September Journées de la culture

This year, JCCBI invited the public to take the *Stories and Bridges* multimedia tour available from the free Montréal en Histoire app. The public could also take in a new three-dimensional mural under the Bonaventure Expressway called *Montréal: voyage au fil du temps* by artist Stéphanie Bérubé (B.RUE.B). Great activities accessible on foot or by bicycle!



November Centraide of Greater Montreal campaign

JCCBI staff generously took part in cooking activities, sports events and brain games to contribute \$10,334 to Centraide of Greater Montreal.

December L'Entraide Chez Nous

For many years, JCCBI employees have helped with the Christmas baskets handed out by L'Entraide Chez Nous, an organization that provides front-line services to people in need.



Jacques Cartier Bridge seen from the South Shore

Accountability

The Jacques Cartier and Champlain Bridges Incorporated is a parent Crown corporation, agent of Her Majesty under *The Jacques Cartier and Champlain Bridges Inc. Regulations (SOR/98-568)*. It is subject to Part X of the *Financial Administration Act (FAA)*.

The Corporation reports to Parliament through the Minister of Infrastructure and Communities. It is mainly financed through parliamentary appropriations, but it also receives revenue to a lesser extent from other sources such as leases and permits.

Board of Directors

The Corporation's Board of Directors is made up of seven members, including the Chief Executive Officer. These members are Henri-Jean Bonnis, Richard Cacchione, Paul T. Kefalas (Chairman of the Board), Catherine Lavoie (Vice Chair of the Board of Directors), Sandra Martel (Chief Executive Officer), Me. Sylvain Villiard and Dale Ellen Williams.



The Board members are appointed by the Minister, with the approval of the Governor in Council. The Chairman of the Board of Directors and the Chief Executive Officer are appointed by the Governor in Council upon the recommendation of the Minister. The Chairman of the Board of Directors has no executive role on the management team.

In accordance with sound governance practices, the Board of Directors has formed three standing committees:

✦ The **Governance and Ethics Committee** is responsible for assessing all aspects and practices of the Corporation's governance. Its mandate is to advise the Board of Directors on how the Corporation will address issues related to its governance practices and apply the guidelines related to the governance of Crown corporations issued by the Treasury Board Secretariat.

✦ The **Audit Committee**, whose responsibilities are set out in the FAA, monitors the Corporation's integrity and behaviour standards, the integrity and credibility of its financial statements, and its internal control systems and practices.

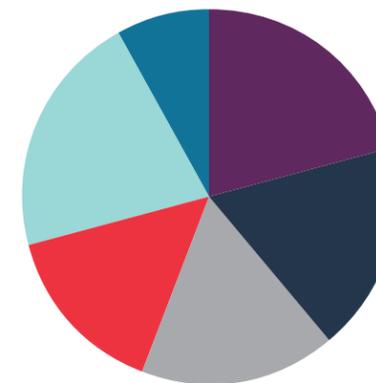
✦ The **Human Resources Committee** provides guidance on the development of human resources policies, programs and practices that are consistent with the Corporation's mission, vision and values as well as with its strategic plan and objectives.

The Board of Directors has also formed other advisory committees without decision-making powers to help ensure that major projects run smoothly. A list of the members of these committees can be found in the appendices.

16 Board of Directors meetings in 2019-2020

Our team

JCCBI's multidisciplinary team consists of 190 people from various disciplines and trades, including 132 who fall under a collective agreement. Our staff breakdown is as follows:



21 % engineers 15 % administrative assistants and clerical employees
 18 % managers 21 % technicians
 17 % professionals 8 % blue collar employees

8 % Less than 30 years old
 67 % Between 30 and 50 years old
 25 % More than 50 years old

53 % Women 47 % Men

The Corporation constantly invests in the development of its staff to provide a workplace that is stimulating, respectful, healthy, and safe and where they can all develop their talents. The average number of training hours per JCCBI employee during the fiscal year was 24 hours.

In 2018-2019, JCCBI engaged in a workplace health and wellness program, which is essential not only for the physical and psychological health of all staff but also for the organization's success. A Workplace Health and Wellness Committee was also created and deployed several initiatives during the fiscal year, which included a staff survey to get an organizational diagnostic of various workplace aspects, including OHS, workload, internal communications, and recognition. An action plan has been developed and is being gradually deployed.



JCCBI's management team includes Claude Lachance, Nathalie Lessard, Sandra Martel, André Morin, Robert Sauvé and Catherine Tremblay.

Occupational Health and Safety

The Corporation is firmly committed to OHS in every aspect of its operations. JCCBI continued to update its OHS Management Program to meet its obligations under the *Canada Labour Code, Part II – Occupational Health and Safety*. This program now covers the management of OHS findings, inspections and audits in addition to a number of safe work practices. Staff training has also been developed, and the implementation of the OHS training program is ongoing.

The Corporation is also maintaining and enhancing contractual requirements for its work-site supervision activities. Commitment from senior management, the work of the local OHS committee, and the participation of all staff have helped JCCBI meet its OHS goals.

OHS report

15 declared accidents (10 requiring first aid)
 2 disabling injuries
 3 minor injuries

Audit regime

JCCBI's auditor is the Auditor General of Canada, as per *The Jacques-Cartier and Champlain Bridges Inc. Regulations*. The Office of the Auditor General conducts an annual audit of the Corporation's activities in accordance with the FAA to ensure that the financial statements accurately represent the Corporation's financial results as per recognized accounting principles and that JCCBI's operations have been conducted in accordance with the FAA, its charter and by-laws.

JCCBI develops multi-year internal audit plans to determine, among other things, whether its risk management, control and governance systems allow it to carry out its mission in a fiscally responsible, efficient and effective way in accordance with the applicable legislation. To create these plans, JCCBI retains the services of external firms.

Access to information and protection of personal information

The Corporation processes all requests for access to information and personal information as set out in the *Access to Information Act* and the *Privacy Act*. This year, the Corporation received and handled seven access to information requests. Through the chapter "Information About Programs and Information Holdings," formerly known as "Info Source," the Corporation provides information about its functions, programs, activities and related information holdings.

Travel, hospitality and conference

The summary below lists the annual number of travel, hospitality, conferences and events for the 2019-2020 fiscal year in thousands of dollars.

Travel	61
Hospitality	16
Conference	41
Total	118



CEO Sandra Martel gives a talk

Remuneration

The Governor in Council determines the remuneration for the Chairman and other Board members and the Chief Executive Officer.

Remuneration for the Chairman and other Board members follows the Remuneration Guidelines for Part-time Governor in Council appointees in Crown Corporations and section 108 of the FAA. The Chairman receives an annual retainer of \$7,500 while other Board members receive an annual retainer of \$3,800. All members receive a per diem of \$300 to attend Board and committee meetings. Board members are reimbursed for any reasonable expenses incurred as part of their duties, such as travel, accommodation and meals.

The conditions of employment for the Chief Executive Officer are set out in the Terms and Conditions applying to Governor in Council appointees. The salary range for the Chief Executive Officer (CEO 3) is \$188,500 to \$221,700. The Chief Executive Officer does not receive a per diem to attend Board meetings. As provided in the Performance Management Program for Chief Executive Officers of Crown Corporations, the Governor in Council may also grant the Chief Executive Officer with a performance bonus of up to 15% of his or her base salary based on the achievement of key performance objectives.

Environment and Sustainable development

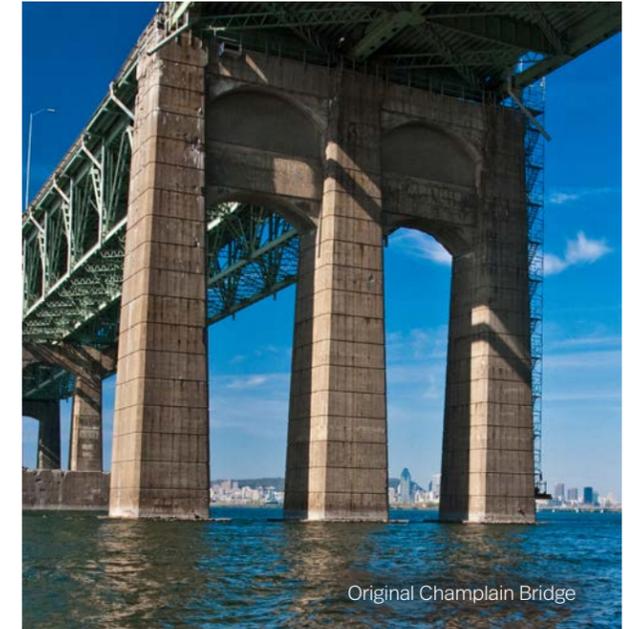
Beyond carrying out its infrastructure projects, JCCBI is dedicated to providing sound organizational management, protecting the environment, and generating a positive impact on the community. In terms of environmental protection, JCCBI has implemented several initiatives.

Environmental impact reduction

Given the coming into force of the *Impact Assessment Act* in August 2019, and to minimize the Corporation's environmental impact, JCCBI has adjusted its processes for assessing the environmental impacts of its projects in addition to defining and implementing mitigation measures.

Biodiversity enhancement

Biodiversity inventories on the Corporation's structures are underway to take stock of species such as peregrine falcons, cliff swallows and bats. The goal is to preserve biodiversity in these sectors.



Original Champlain Bridge



Fish habitat near the Champlain Bridge

Knowledge and management of contaminated land

The Corporation is looking to improve its contaminated land remediation strategy and has started developing a registry and map of these areas. JCCBI is also developing a management plan for its existing data which will make it easier to update this data and communicate it to stakeholders. The Corporation thus ensures its positioning in the allocation of grants under the Federal Contaminated Sites Action Plan (FCSAP).

Environmental management system

To improve the environmental management of all its activities, JCCBI will use the ISO 14001 standard to evaluate its current systems to either enhance them or implement new systems.

Sustainable Development Action Plan

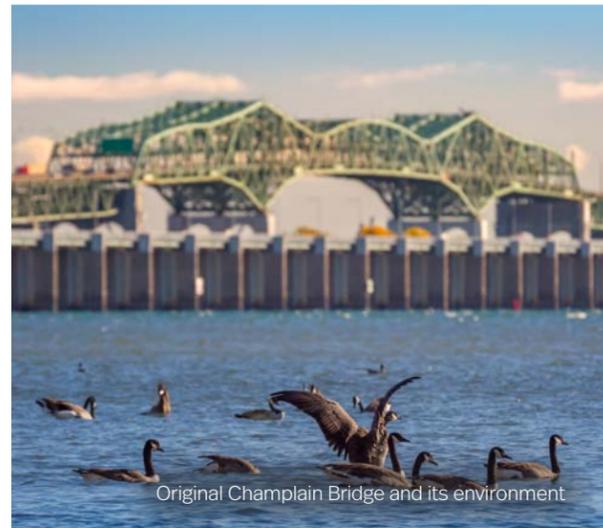
JCCBI's Sustainable Development Strategy, which includes a five-year action plan and goals, is comprised of three pillars: managing business responsibly, sustainable infrastructure, and creating value for society.

JCCBI's Sustainable Development Action Plan was created based on international benchmarks, particularly the *Global Reporting Initiative* and the ISO 26000 standard on corporate social responsibility. The plan also follows the guidelines of the Federal Sustainable Development Strategy (FSDS) and the United Nations goals, as shown in the Sustainable Development section of our website at jacquescartierchamplain.ca.

JCCBI's Sustainability Committee holds eight meetings a year and is composed of senior managers and managers from different departments who are steering the implementation of the Sustainable Development Plan.

2019-2020 Main achievements:

- + Renewal of the Sustainable Development Action Plan for a three-year cycle that is aligned with the *Federal Sustainable Development Act* and Federal Sustainable Development Strategy (FSDS) as well as with the Sustainable Development Goals of the United Nations.
- + Development of a corporate stakeholder management and engagement system.
- + Deployment of the Corporation's first responsible procurement guide.
- + Development of a first climate change adaptation strategy as per the protocol of the Public Infrastructure Engineering Vulnerability Committee, in collaboration with Natural Resources Canada and Engineers Canada.
- + Start of the life-cycle analysis to determine an initial comprehensive environmental footprint of all of JCCBI's activities, in response to Canada's Greening Government goals.



"In 2019-2020, the Corporation completed its five-year action plan to integrate sustainable development into its operations. In 2020-2021, it will launch a new three-year plan that is aligned with the FSDS requirements and UN Sustainable Development Goals," explained Sandra Martel, Chief Executive Officer.

JCCBI's new three-year plan for 2020-2023 will include actions such as:

- + Developing a series of internal training courses on sustainable development.
- + Deploying sustainable development programs from the early stages of project planning.
- + Contributing to Canada's climate change targets.
- + Optimizing stakeholder engagement throughout the project life cycle.

2020-2023 Sustainable Development Action Plan

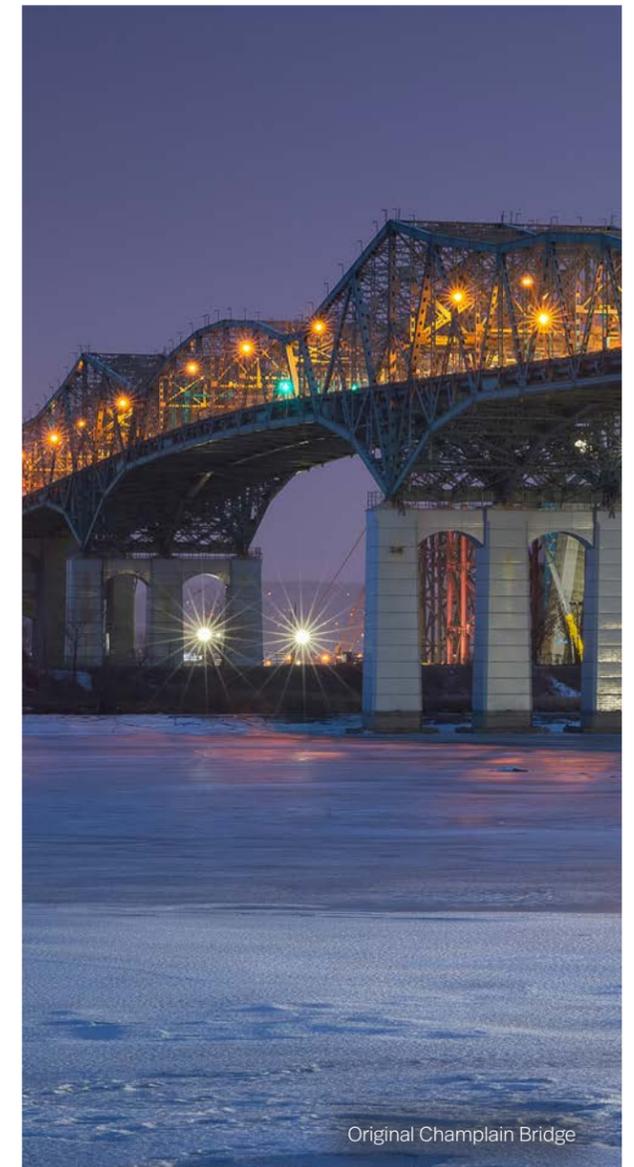


Broader focus on our environmental footprint

JCCBI has been keeping track of the environmental footprint of its administrative activities for a number of years. The Corporation is working on a GHG calculator for all of its activities, including construction, operations, and maintenance of its structures. Construction materials, electrical equipment and machinery operations will also be added to JCCBI's environmental footprint calculations in the near future.

A new life for office supplies

The Corporation's environmental initiatives include collecting empty ink cartridges for the Mira Foundation, which sells them to recycling companies. The money raised goes to support adapted services for its clients. For the past three years, all kinds of writing implements have been collected for recycling, which has reduced waste headed to the landfill. This initiative has recovered nearly 800 items since its inception.



JCCBI ACTIVITIES BASED ON SCOPE, EMISSIONS AND ENERGY CONSUMPTION (2019-2020 FISCAL YEAR)			
	SCOPE 1 Direct emissions (Vehicle fleet and natural gas)	SCOPE 2 Indirect emissions (Electricity)	SCOPE 3 Other indirect emissions (Employee home-work commute)
EMISSIONS (tonnes of CO ₂ equivalent)	156.3	4.9	375.1
ENERGY (gigajoules)	2,440.6	9,750.3	N/A

Notes:

1. The methodology used was the "GHG Protocol," and the gases included in the calculation are CO₂, CH₄ and N₂O.
2. The emission factors are primarily from Canada's National GHG Inventory (1990-2017).

8

PERFORMANCE ANALYSIS

Jacques Cartier Bridge lit up

Strategic issues and risks

Infrastructure Safety and Sustainability

The infrastructure operated and maintained by JCCBI has been subjected to heavy traffic, harsh weather conditions and extensive use of road salt. The age of the infrastructure, the funding required to ensure its maintenance and rehabilitation, as well as deliberate acts such as terrorism, vandalism or even protests, represent real risks.

Any closure of lanes, of a bridge or of the seaway could affect:

- user safety;
- the regional and national economy;
- the reputation of both JCCBI and Canada.

In order to determine both the actual condition of its structures and their damage level, JCCBI has developed a management and inspection plan. Inspections, load-carrying capacity studies, instrumentation and research projects applied to the structures are the main sources of information that enable JCCBI to manage the risks associated with the safety of the structures, prioritize interventions and prepare an investment plan over a ten-year period. The work is determined from a longer-term perspective, aimed at ensuring the longevity of the structures and extending their useful life according to the vision established for each of the structures.

Through funding received in Budget 2018, JCCBI has undertaken a major repair and maintenance program to extend the service life of the structures that it manages.

The Corporation also has an emergency measures plan and works with other partners to coordinate emergency procedures and approaches. JCCBI organizes regular follow-up meetings and collaborative plans with police services to manage the risks related to terrorism, vandalism and protests. Systems have been installed on certain structures for ongoing monitoring.

Sustainable Funding

JCCBI has received funding until 2022-2023. Such funding enables the Corporation to conduct inspections and carry out maintenance work, thereby reducing the risk associated with the deterioration of the bridges and structures.

JCCBI continues to work with Infrastructure Canada to identify short- and long-term funding needs with a ten-year financing plan that is reviewed annually.

Risk reserves have been set aside to cover professional services and construction costs and should be sufficient to cover any unexpected work or events. In addition, as the maintenance program is carried out, JCCBI reuses the funds released to accelerate certain priority work.

Asset Management

Following the recent organizational transformations, the Asset Management department now comprises the Planning, Expert/Inspection and Environment and Sustainable Development divisions and, since September 2019, the Research and Applications division (RAD), thus confirming JCCBI's positioning as a leader in major infrastructure management as an innovative expert, a mobility leader and a social and urban contributor.

In this sense, a broad and comprehensive approach to the real condition of the assets under JCCBI's management is now in place. Such approach encompasses the inspection of civil engineering structures, diagnostics and various studies such as load-carrying capacities and degradation curves, which now enables the Corporation to draw up complete assessments of its assets, determine their condition and, in some cases, accu-

rately assess the obsolescence index and degradation curves required to develop short- and long-term investment plans for maintaining assets to ensure their safety and longevity.

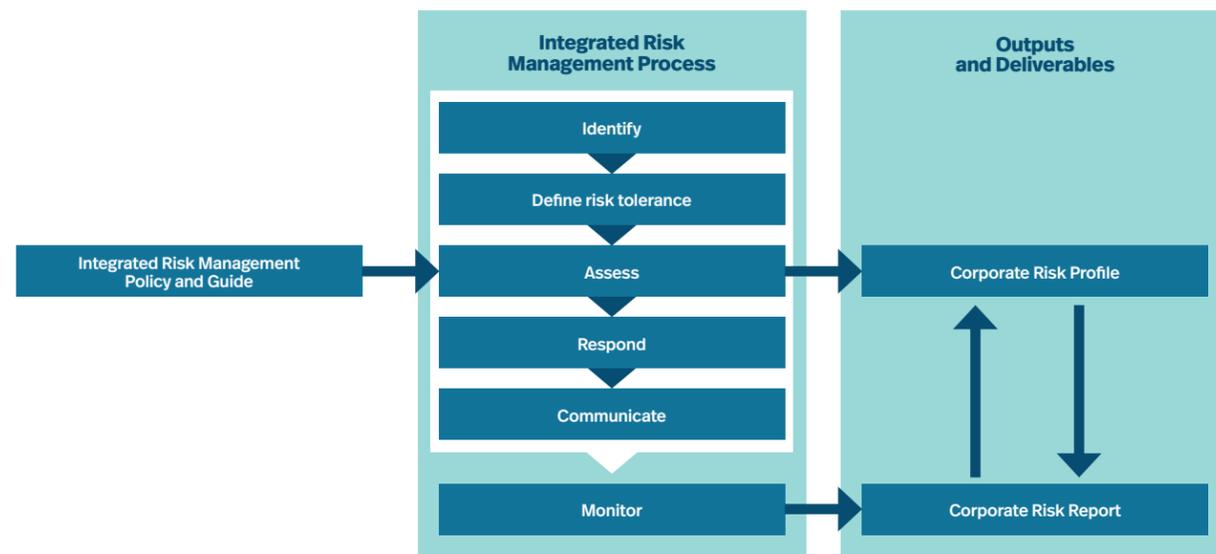
The optimization of investments in the rehabilitation and replacement of structures requires a deepening of knowledge. The costs of structural rehabilitation and replacement could be significantly reduced and/or deferred through the integration of the results and research into the relevant projects.

The RAD pilots a dozen research and development projects annually. The main areas of research that are targeted concern the following: criteria for evaluating the capacity of older structures, instrumentation, validation of loads applied to structures, materials, durability and longevity of the existing structures.

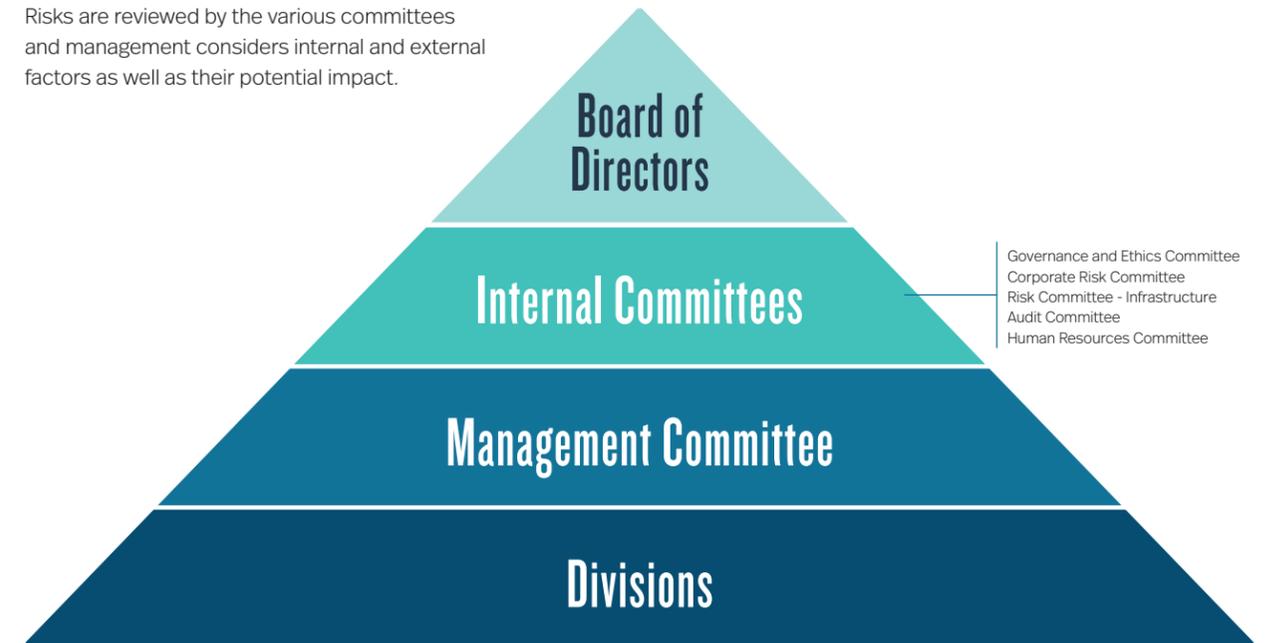
Risk and Associated Mitigation Measures

Integrated Risk Management Approach

JCCBI uses an integrated risk management approach to ensure that corporate, asset and project risks are considered at all stages of the cycle of activities, from the strategic planning process to the day-to-day operations, at all levels of the organization. The focus is placed on identifying and mitigating the risks that could hinder the execution of its strategic priorities.



Risks are reviewed by the various committees and management considers internal and external factors as well as their potential impact.



Risk identification

To assess inherent and residual risks, JCCBI uses a matrix (overall risk severity), taking into account the likelihood of occurrence of a risk and its impact, namely the potential consequences for JCCBI. This matrix provides a clear view of the issues, their evolution and the importance of the mitigation measures to reduce negative impacts.

Through this risk identification methodology, JCCBI has a detailed understanding of all risks and of the various components thereof, which allows for the development of specific action plans to reduce the residual risk. The risk assessment focuses on the following points:

- Inherent risk;
- Components of risk;
- Risk scenarios, implications and impacts;
- Mitigation measures and mitigating factors; and
- Residual risk trend.

From its risk identification exercise, fourteen (14) corporate risks were identified, namely;

1. Occupational health and safety;
2. Health and safety on worksites involving suppliers;
3. Recruitment and retention;
4. Leadership and succession;
5. Business model – performance;
6. Performance measurement;
7. Non-fulfilment of the contract or delay in the delivery times;
8. Unplanned additional costs – planning and forecasting;
9. Political environment;
10. Contractual disputes and claims;
11. System disruption or failure;
12. Security of information systems;
13. Decision making – information management;
14. Technology infrastructure and quality of management information.

Following the evaluation of the mitigation measures in place, two (2) of the fourteen (14) risks were assessed as having a high residual risk level, namely:

- Occupational health and safety;
- Health and safety on worksites involving suppliers.

Mitigation measures were therefore identified and implemented.

Category/Title/ Description of Risk	Mitigation Measures	Residual Risk Level
Occupational Health and Safety <ul style="list-style-type: none"> Work environment to ensure the health and safety of JCCBI's employees. Putting JCCBI's employees or the general public at risk. 	<ul style="list-style-type: none"> OHS management procedure. Presence of managers in the field. Sharing information at service team meetings. Communication plan to remind people of the issues and procedures. Skills management plan including the list of mandatory training courses by job type. Monitoring the results of prevention efforts in the medium/long term. 	High
Health and Safety on Worksites Involving Suppliers <ul style="list-style-type: none"> Failure to take appropriate measures to prevent or detect exposure to risks. Putting their employees, JCCBI's employees or the general public at risk. 	<ul style="list-style-type: none"> Prevention plan specific to each contract. OHS monitoring on the worksites. Training, documentation and personal protective equipment accessible to internal employees who visit worksites. Validation of the skills of suppliers' employees. Inspections conducted on the worksites and follow-up of corrective measures. OHS visits prior to the commissioning of the structures/assets following the completion of the work, to identify any potential risk to the safety of users. Assessment of accidents and of any events or observations that have occurred, identification of trends and implementation of generic corrective measures. 	High

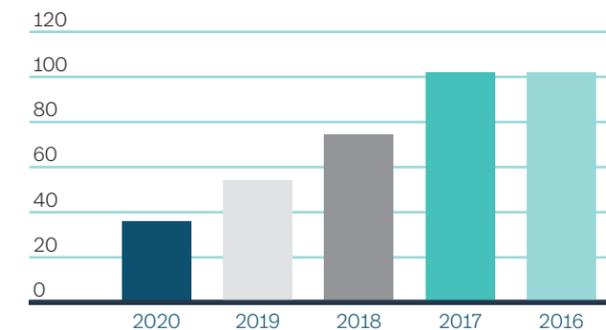
Analysis of Results

Statement of Financial Position

Financial Assets

The financial assets amounted to \$35.3M as at March 31, 2020 (2019 - \$53.1M). This \$17.8M decrease is mainly due to the decrease in cash. The cash position continues to be closely linked to the payments of the federal government parliamentary appropriations and is mainly related to the \$13.4M decrease in accounts payable to suppliers. As at March 31, 2020, the amount receivable from government departments and agencies was \$1.2M (2019 - \$1.4M).

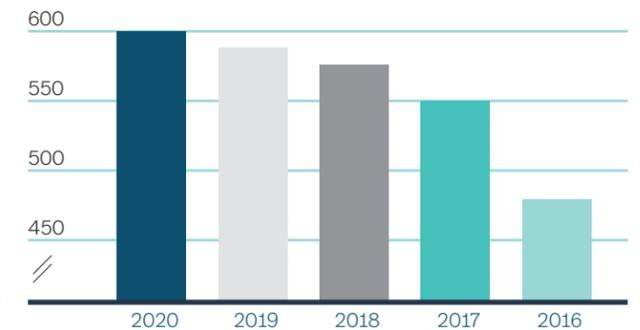
Financial Assets (in \$M)



Non-Financial Assets

Non-financial assets total \$607.5M (2019 - \$590.8M), having increased by \$16.7M during the period (2019 - \$8.9M). This increase is mainly due to the tangible capital assets, which total \$606.4M (2019 - \$590.0M), a net increase of \$16.4M over the previous fiscal year (2019 - \$8.7M). The major investments for the year mainly comprise capital works at the Jacques Cartier Bridge (\$26.9M), at the Honoré Mercier Bridge (\$12.1M), at the Melocheville Tunnel (\$6.8M) and at the Bonaventure Expressway (\$1.7M). During year 2014-2015, the Corporation stopped treating the new investments related to the original Champlain Bridge as capital assets. As a result, major work expenditures on this structure, in the order of \$12.3M, were charged to operations. Almost all capital assets are paid through parliamentary appropriations from the Government of Canada. The amortization for the period, totalling \$32.9M (2019 - \$40.9M), reduces the investments for the period with respect to tangible capital assets.

Non-Financial Assets (in \$M)



Tangible Capital Assets

Tangible capital assets, which include bridges, roads, and related structures and whose useful life is limited, are amortized over their useful life, which is based on the estimates made by management as to the service life of these assets and is subject to periodic review to confirm the validity thereof. Due to the long service life of tangible capital assets and to the amounts involved, any changes in estimates could have a material effect on the Financial Statements. The deterioration of long-lived assets is subject to verification when events or circumstances indicate that it is impossible to recover their carrying value from future cash flows. If future conditions were to deteriorate compared to management's best estimate on key economic assumptions and if associated cash flows were to decrease significantly, the Corporation could eventually have to recognize significant expenses as a result of the write-down of its tangible capital assets.

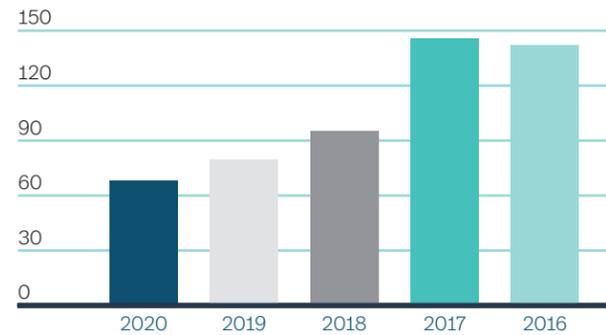
The Corporation incurs expenses to maintain its tangible capital assets. Many of these expenses fall within the context of major multi-year infrastructure projects. In recognizing these expenses, management must make significant estimates of the progress of the work carried out to be able to value the liabilities at year end. A change in the estimated percentage of the work progress could have a significant impact on the estimated value of recognized expenses or tangible capital assets.

Liabilities

Liabilities of \$68.4M (2019 – \$78.0M) decreased by \$9.6M during the period (2019 – \$17.1M). This decrease is mainly due to the decrease in accounts payable and accrued liabilities, as well as to the contractual holdbacks payable.

Accounts payable and accrued liabilities decreased by \$15.3M during the year (2019 – \$13.3M) and amount to \$29.0M (2019 – \$44.3M). The change is mainly due to a decrease in accounts payable related to major work.

Liabilities (in \$M)



To carry out the work on its structures, the Corporation awarded construction contracts that provide for the withholding of a portion of the amounts payable until completion of the work in compliance with the requirements of the construction contract and as warranty. These contractual holdbacks totalled \$4.2M as at March 31, 2020 (2019 – \$6.4M) mainly for projects at the original Champlain Bridge, the Jacques Cartier Bridge and the Honoré Mercier Bridge. A portion of these amounts will become payable upon the issuance of an Interim Certificate of Completion, and another portion will become payable about one year later, after the expiration of the warranty period. The \$2.2M decrease (2019 – \$5.8M decrease) recognized during year 2019-2020 is therefore related to the completion of work or to the end of warranty periods resulting in the release of holdbacks under the terms of the contracts, as well as to the smaller increase in the expenses for the maintenance of the assets and capital assets.

Environmental Obligations

The environmental obligations, presented in the Statement of Financial Position, amount to \$34.4M (2019 – \$26.6M) and represent primarily a liability for environmental obligations in connection with the containment, treatment and pumping of the contaminated groundwater of the lands in the Bonaventure Expressway sector, as indicated in Note 7 to the Financial Statements. The estimates underlying this liability take into account the long-term nature of the necessary water containment, treatment and pumping measures. The changes in the magnitude of the estimated costs could have a material effect on the Financial Statements.

The \$7.8M increase during the year (2019 – \$2.2M) is mainly explained by the recognition of a new \$6.6M liability for environmental obligations related to the remediation measures or risk management strategies planned in both the Jacques Cartier Bridge and the original Champlain Bridge sectors.

Change In Accounting Policy

Periodically, the Public Sector Accounting Board issues new accounting standards that management reviews to determine whether or not they apply to the Corporation. During the financial year, no new accounting standards affecting the Corporation were adopted.

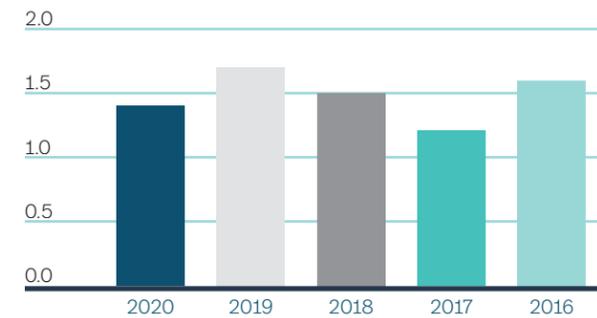
Statement of Operations

Revenue

The Corporation's revenue as at March 31, 2020 was \$1.4M (2019 – \$1.7M), a \$0.3M decrease over the previous fiscal year (2019 – \$0.2M increase).

Although impacted both by the conditions and by the end of the various commercial commitments, revenue has remained relatively stable.

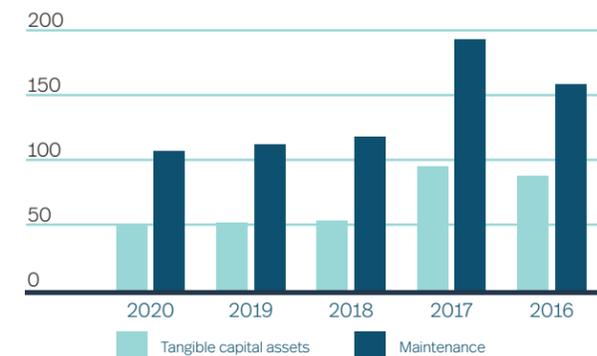
Revenue (in \$M)



Parliamentary Appropriations

The parliamentary appropriations recognized in the Statement of Operations totalled \$155.7M as at March 31, 2020 (2019 – \$161.3M). These appropriations were allocated to the expenses of \$106.6M (2019 – \$111.0M) and the capital assets of \$49.1M (2019 – \$50.3M).

Parliamentary Appropriations (in \$M)



Parliamentary appropriations are the main source of funding for the Corporation's activities. For 2019-2020, the appropriations allotted in JCCBI's budget totalled \$322.7M (2019 – \$355.3M). As a result of reprofiling of funds approved during the year, the planned parliamentary appropriations amounted to \$251.1M,

a decrease of \$71.6M. The use of parliamentary appropriations in the payment of the expenses for the year was 62.0%, or \$155.7M (2019 – 45.4% or \$161.3M).

The use of parliamentary appropriations attributable to operations, maintenance and administration expenses is 9.3% lower than the planned appropriations for these types of expenses.

With regard to major work, the parliamentary appropriations planned for 2019-2020 were \$203.6M, out of which \$60.2M for the original Champlain Bridge, including the deconstruction project. The value of the work carried out during the year was \$115.5M, including \$16.0M for the original Champlain Bridge.

Excluding the original Champlain Bridge and the deconstruction project, unused funds amount to \$44.0M, or 30.7% of the forecasted \$143.5M budget. The variance is due primarily to the following:

- \$13.9M for unbudgeted work carried out;
- \$43.9M for professional services and work that were budgeted but not performed;
- \$10.0M of additional costs from contracts awarded at an amount higher than that budgeted;
- \$15.8M of unused funds that were budgeted for professional services and work to be determined and performed as part of risk mitigation strategies.

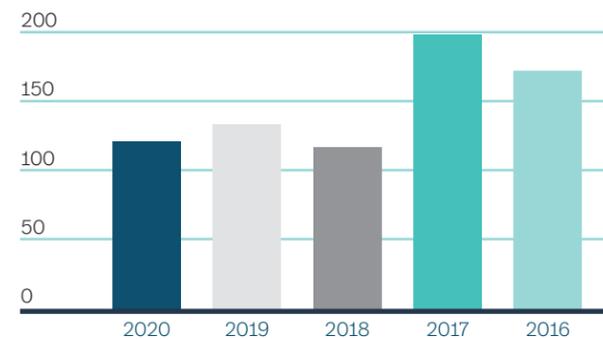
For the original Champlain Bridge, including the deconstruction project, unused funds amount to \$44.1M, or 73.4% of the forecasted \$60.2M budget. The variance is due primarily to the following:

- \$2.6M for unbudgeted work carried out to maintain the bridge;
- \$7.3M for professional services and work that were budgeted but not performed;
- \$32.2M of unused funds that were budgeted for professional services and work to be determined and performed as part of risk mitigation strategies;
- \$8.1M of unused funds that were budgeted as part of the deconstruction project due to:
 - \$5.3M of work planned but not carried out;
 - \$2.8M of unused funds that were budgeted for professional services to be determined and performed as part of risk mitigation strategies.

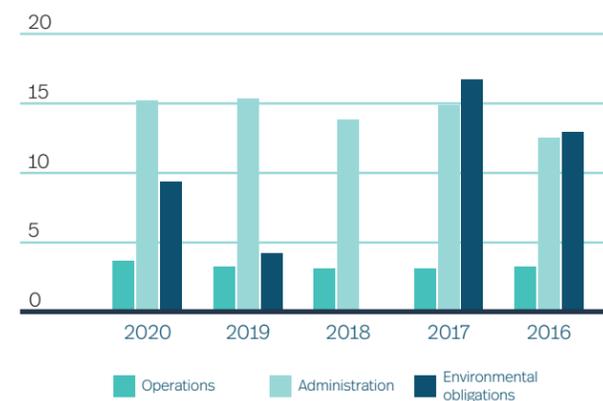
Expenses

The Corporation's expenses totalled \$148.8M (2019 – \$156.5M). The \$7.7M decrease in expenses (2019 – \$26.6M increase) is mainly due to a \$12.5M decrease in maintenance expenses (2019 – \$17.5M increase), an overall \$0.4M increase (2019 – \$1.4M) in the operations and administration expenses, as well as the 5.2M increase (2019 – \$6.9M) in the environmental obligations expenses attributable to revised rates and assumptions.

Maintenance Expenses (in \$M)



Other Expenses (in \$M)



Maintenance

The \$120.5M in maintenance expenses (2019 – \$133.1M) represent a 9.4% decrease over the previous year's expenses (2019 – 15.1% increase). The variance is mainly due to the type of costs incurred as part of the major work program in regard to the Corporation's policy on capitalization and amortization and to the \$8.1M decrease in the amortization expense.

Operations

Operating expenses totalled \$3.6M (2019 - \$3.2M). Operating expenses increased by 12.5% mainly due to the coming into force of a new contract for police infrastructure patrol services.

Administration

Administration expenses totalled \$15.2M (2019 – \$15.3M). Administration expenses remained stable over the previous fiscal year (2019 – 10.1% increase).

Environmental Obligations

Expenses related to environmental obligations amount to \$9.4M (2019 – \$4.2M) and include an additional provision for the anticipated costs of remediation or risk management related to the contaminated lands under the Jacques Cartier Bridge and the original Champlain Bridge.

Statement of Cash Flow

The Corporation's cash flows are primarily dependent on the date of receipt of funding from the Government of Canada for project and maintenance expenditures. This funding is issued only upon request, following the recognition of the value acquired for the work, as well as of the goods and services received.

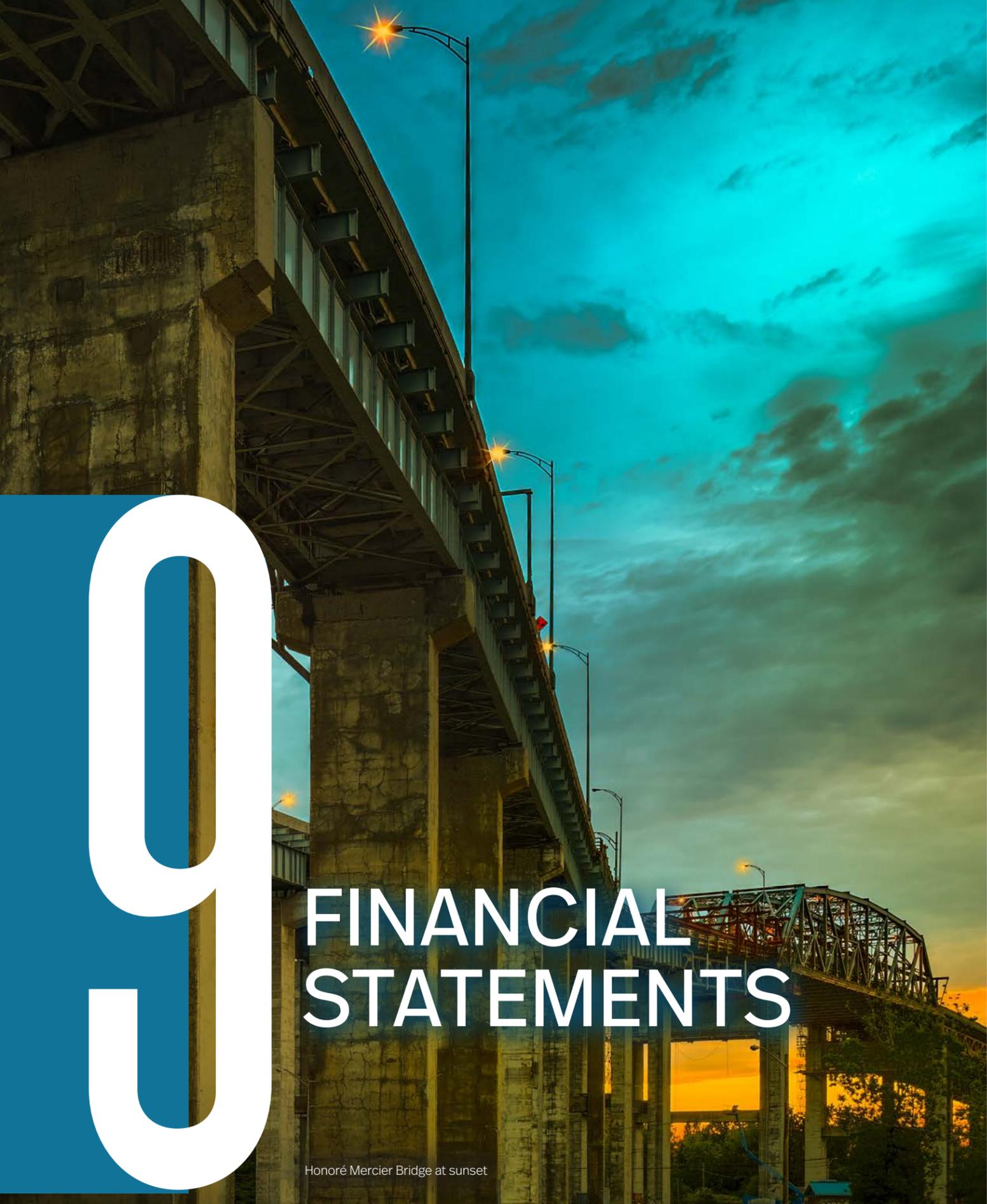
Five-Year Financial Review

FOR THE YEAR ENDED MARCH 31 (IN MILLIONS OF DOLLARS)

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
REVENUE					
Leases and permits	0.6	0.6	0.6	0.6	0.7
Interest and other sources	0.8	1.1	0.9	0.6	0.9
Total Revenue	1.4	1.7	1.5	1.2	1.6
EXPENSES					
Maintenance	120.6	133.1	115.6	195.4	171.6
Operations	3.6	3.2	3.1	3.1	3.2
Administration	15.2	15.3	13.9	14.8	12.5
Environmental obligations	9.4	4.2	(2.7)	16.7	12.9
Loss on disposal of tangible capital assets	-	0.7	-	1.3	30.7
Total Expenses	148.8	156.5	129.9	231.3	230.9
Deficit before Government of Canada funding	(147.4)	(154.8)	(128.4)	(230.1)	(229.3)
Portion of transfer payments for operating expenses	106.6	111.1	117.4	191.9	157.9
Portion of transfer payments for tangible capital assets	49.1	50.3	52.8	94.3	87.4
Transfer payments – Other	0.3	-	-	-	-
Operating Surplus	8.6	6.6	41.8	56.1	16.0

NOTE

* Following a review by Revenu Québec of the Corporation's status effective October 1, 2016, the status of municipality assigned to JCCBI for the purposes of the Goods and Services Tax (GST) and Quebec Sales Tax (QST) was revoked. Thus, since October 1, 2016, the Corporation qualifies as non-profit organization (NPO) for the application of these two taxes. As a result, since that date, JCCBI has been entitled to partial GST and QST rebates of 50%.



9 FINANCIAL STATEMENTS

Honore Mercier Bridge at sunset

Management's Responsibility for Financial Information

The 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.

The Corporation's 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 conducted in accordance with the directive issued under section 89 and Part X of the *Financial Administration Act* and its regulations, the *Canada Business Corporations Act*, *The Jacques-Cartier and Champlain Bridges Inc. Regulations* passed pursuant to the *Canada Marine Act*, as well as the Corporation's articles and by-laws.

The Board of Directors is made up of six (6) Directors and the Corporation's Chief Executive Officer. Through the Audit Committee, the Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal controls. 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 Office of the Auditor General of Canada audits the Financial Statements of the Corporation and his report indicates the scope of the audit and his opinion on the Financial Statements.

The Chief Executive Officer,

Sandra Martel, Eng.

June 25, 2020



INDEPENDENT AUDITOR'S REPORT

To the Minister of Infrastructure and Communities

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Jacques Cartier and Champlain Bridges Incorporated, which comprise the statement of financial position as at 31 March 2020, and the statement of operations, statement of change in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Jacques Cartier and Champlain Bridges Incorporated as at 31 March 2020, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

Those charged with governance are responsible for overseeing The Jacques Cartier and Champlain Bridges Incorporated's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Jacques Cartier and Champlain Bridges Incorporated's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Jacques Cartier and Champlain Bridges Incorporated to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of The Jacques Cartier and Champlain Bridges Incorporated coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act*, *The Jacques-Cartier and Champlain Bridges Inc. Regulations of the Canada Marine Act*, the articles and by laws of The Jacques Cartier and Champlain Bridges Incorporated, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

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

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for The Jacques Cartier and Champlain Bridges Incorporated's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable The Jacques Cartier and Champlain Bridges Incorporated to comply with the specified authorities.

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

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



Tina Swiderski, CPA auditor, CA
Principal
for the Auditor General of Canada

Montréal, Canada
25 June 2020

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

	2020 \$	2019 \$
FINANCIAL ASSETS		
Cash	33,506,048	47,832,852
Accounts receivable (Note 3)	1,841,819	5,269,957
Total Financial Assets	35,347,867	53,102,809
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	29,003,524	44,294,972
Employee future benefits (Note 5)	530,545	495,762
Contractual holdbacks (Note 6)	4,214,047	6,361,494
Deferred revenue	229,907	269,436
Environmental obligations (Note 7)	34,396,000	26,592,000
Total Liabilities	68,374,023	78,013,664
Net Debt	(33,026,156)	(24,910,855)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	606,449,339	590,018,168
Prepaid expenses	1,065,886	789,367
Total Non-Financial Assets	607,515,225	590,807,535
Accumulated Surplus	574,489,069	565,896,680

CONTINGENCIES, CONTRACTUAL OBLIGATIONS AND DECONSTRUCTION OF THE ORIGINAL CHAMPLAIN BRIDGE (NOTES 10, 11 AND 15).

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

Approved by the Board of Directors:



Director



Director

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

	Budget \$	2020 Actual \$	2019 Actual \$
REVENUE			
Leases and permits	596,000	565,442	586,430
Interest	934,000	782,648	1,065,382
Other sources	-	69,150	51,051
Total Revenue	1,530,000	1,417,240	1,702,863
EXPENSES (NOTE 13)			
Maintenance	267,285,000	120,533,177	133,079,931
Operations	3,431,000	3,632,541	3,175,753
Administration	17,108,000	15,219,622	15,299,251
Environmental obligations	(2,103,000)	9,407,394	4,241,026
Loss on disposal of tangible capital assets	-	6,366	670,137
Total Expenses	285,721,000	148,799,100	156,466,098
Deficit before Government of Canada funding	(284,191,000)	(147,381,860)	(154,763,235)
Portion of transfer payments for operating expenses	250,507,000	106,611,567	111,056,113
Portion of transfer payments for tangible capital assets	72,181,000	49,047,732	50,274,128
Transfer payments - Other (Note 12)	-	314,950	-
Annual Operating Surplus	38,497,000	8,592,389	6,567,006
Accumulated Operating Surplus, Beginning of the Year	604,569,000	565,896,680	559,329,674
Accumulated Operating Surplus, End of the Year	643,066,000	574,489,069	565,896,680

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

STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31

	Budget	2020 Actual	2019 Actual
	\$	\$	\$
Annual Operating Surplus	38,497,000	8,592,389	6,567,006
Acquisition of tangible capital assets (Note 8)	(72,181,000)	(49,362,682)	(50,274,128)
Amortization of tangible capital assets (Note 8)	35,797,000	32,925,145	40,868,152
Gain on disposal of tangible capital assets	-	(64,000)	(17,500)
Proceeds from disposal of tangible capital assets	-	64,000	17,500
Loss on disposal of tangible capital assets	-	6,366	670,137
Total Variation Due to Tangible Capital Assets	(36 384 000)	(16 431 171)	(8 735 839)
Acquisition of prepaid expenses	-	(1,964,303)	(1,366,562)
Use of prepaid expenses	-	1,687,784	1,198,364
Total Variation Due to Prepaid Expenses	-	(276,519)	(168,198)
(Increase) decrease in net debt	2,113,000	(8,115,301)	(2,337,031)
Net debt, beginning of the year	(20,436,000)	(24,910,855)	(22,573,824)
Net Debt, End of the Year	(18,323,000)	(33,026,156)	(24,910,855)

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

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31

	2020 \$	2019 \$
OPERATING TRANSACTIONS		
Annual operating surplus	8,592,389	6,567,006
Non-cash items		
Transfer payment – Other (Note 12)	(314,950)	-
Amortization of tangible capital assets (Note 8)	32,925,145	40,868,152
Loss on disposal of tangible capital assets	6,366	670,137
Gain on disposal of tangible capital assets	(64,000)	(17,500)
Changes in environmental obligations	9,120,000	4,084,478
Changes in other items		
Decrease in accounts receivable	3,428,138	6,693,409
Decrease in accounts payable and accrued liabilities	(6,169,712)	(10,067,741)
Increase (decrease) in employee future benefits	34,783	(21,308)
Decrease in contractual holdbacks	(2,147,447)	(5,879,193)
(Decrease) increase in deferred revenue	(39,529)	955
Increase in prepaid expenses	(276,519)	(168,198)
Decrease in environmental obligations	(1,316,000)	(1,894,337)
Cash Flow Provided by Operating Transactions	43,778,664	40,835,860
TANGIBLE CAPITAL ASSET INVESTMENT ACTIVITIES		
Proceeds from disposal of tangible capital assets	64,000	17,500
Cash used to acquire tangible capital assets	(58,169,468)	(53,545,571)
Cash flow used for tangible capital asset investment activities	(58,105,468)	(53,528,071)
Decrease in Cash	(14,326,804)	(12,692,211)
Cash, Beginning of the Year	47,832,852	60,525,063
Cash, End of the Year	33,506,048	47,832,852

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

1. Authority and Activities

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 (ice control structure) 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 original 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.

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 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 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 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 can choose 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 clean-up 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 an Environmental Obligation expense as they are incurred.

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.

Financial Instruments

The Corporation identifies, assesses, and manages the financial risks to minimize the impact thereof on its results and financial position. Financial risks are managed in accordance with specific criteria disclosed in Note 14. 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 the future event is likely to 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 most 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.

3. ACCOUNTS RECEIVABLE

The Corporation's accounts receivable consist of the following:

	2020 \$	2019 \$
Due from the Government of Canada	402,327	-
Taxes receivable	844,759	1,433,707
Re-invoicing of work to business partners	88,396	2,311,511
Other accounts receivable	506,337	1,524,739
Total Accounts Receivable	1,841,819	5,269,957

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2020 \$	2019 \$
Suppliers and accrued liabilities	27,501,335	40,922,102
Salaries and employee benefits	1,502,189	1,941,444
Due to the Government of Canada	-	1,431,426
Total Accounts Payable and Accrued Liabilities	29,003,524	44,294,972

5. EMPLOYEE FUTURE BENEFITS

Pension Plan

All employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"). The President of the Treasury Board of Canada sets the required employer contributions, which represent a multiple of the required employee contributions. The Corporation's base contribution rate in effect at the end of the year was 9.63% (9.66% in 2019) of the annual salary paid to employees hired before January 1, 2013, and 8.69% (8.68% in 2019) of the annual salary paid to employees hired after December 31, 2012.

The contributions to the Plan during the year are broken down as follows:

	2020 \$	2019 \$
Employer's contributions	1,643,650	1,516,608
Employees' contributions	1,566,276	1,468,919

The Government is required by law to pay the benefits associated with the Plan. The pension benefits accrue up to a maximum of 35 years at an annual rate of 2% by year of pensionable service, times the average of the best five (5) consecutive years of earnings. The benefits are coordinated with the Canada Pension Plan and Quebec Pension Plan benefits and are indexed to inflation.

Post-Employment Benefits and Compensated Absences

To calculate the liability for compensated absences relating to sick leave accrued as at December 9, 2016 for employees who have chosen to keep this leave until their departure, the Corporation uses a rate of compensation increase of 1.5% (1.5% in 2019), a discount rate of 0.42% (1.63% in 2019), and a probability of employee departure of 15% (15% in 2019) before retirement eligibility.

For post-employment benefits relating to work injuries, the Corporation recognized a liability amounting to \$220,944 (\$244,338 in 2019). To calculate this post-employment benefit, the Corporation uses a rate of compensation increase of 1.5% (1.5% in 2019), a discount rate of 0.42% (1.63% in 2019) for an average life expectancy of 80 years (80 years in 2019) as an assumption for the end of the payment of the compensation.

The liability for post-employment benefits comprises the following elements:

	2020 \$	2019 \$
Accrued benefit obligation, beginning of the year	495,762	517,070
Cost of the services rendered during the year	68,406	-
Benefits paid during the year	(33,623)	(21,308)
Accrued Benefit Obligation, End of the Year	530,545	495,762

6. 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 fulfill 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 con-

cerned. The Corporation then pays the 5% contractual holdback (designated as "performance holdback") and retains a new amount equal to 2.5% as a contractual holdback (designated as "warranty holdback").

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

7. 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 16 sites (16 in 2019) that may be contaminated and require assessment, remediation or a risk management strategy, and monitoring. Among these 16 sites, 4 have been assessed (2 in 2019) for which remediation measures or risk management strategies are in place or planned, and for which a liability of \$34,396,000 (\$26,592,000 in 2019) has been recognized.

No liability has been recognized for the other 12 sites (14 in 2019). Some of these 12 sites are in various stages of testing and assessment and if 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 and is 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 0.37% to 1.14% (2019 - 1.52% to 1.83%).
- ✦ The inflation rate of 3.07% (2019 - 3.02%) is based on the Non-residential building construction price index.

Sectors	2020 \$		2019 \$	
	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)	21,718,000	20,189,000	22,288,000	19,382,000
Bonaventure Expressway: west sector (1)	8,150,000	7,653,000	8,207,000	7,210,000
Jacques Cartier Bridge (2)	2,769,000	2,752,000	-	-
Original Champlain Bridge (3)	3,836,000	3,802,000	-	-
Total	36,473,000	34,396,000	30,495,000	26,592,000

(1) EAST AND WEST SECTORS OF THE BONAVENTURE EXPRESSWAY

As at March 31, 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 began in 2018. For the west sector, both the containment of groundwater and the operation of the treatment plant began 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 fifteen (15) years. The duration of the operations will extend beyond this period, but it is impossible, at this time, to determine the costs beyond fifteen (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 clean up the lands or adopt a risk management strategy to limit the contamination. For one 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 Financial Statements. The Corporation plans to begin carrying out certain decontamination work during the summer of 2020. Said work will extend over a period of approximately two (2) 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 Financial Statements. The management of the soils to be excavated under the bridge is planned as part of the deconstruction work, which is expected to begin in the summer of 2020 and extend over a period of approximately 36 months.

8. TANGIBLE CAPITAL ASSETS

	LANDS	BRIDGES AND ROADS	VEHICLES AND EQUIPMENT	LEASEHOLD IMPROVEMENTS	PROJECTS IN PROGRESS	TOTAL
	\$	\$	\$	\$	\$	\$
COST						
April 1, 2018	5,250,117	798,171,781	4,717,596	824,495	16,672,846	825,636,835
Acquisitions	-	27,922,968	903,166	441,476	21,006,518	50,274,128
Disposals	-	(11,041,632)	(1,637,840)	(10,327)	-	(12,689,799)
Transfers	-	16,672,845	-	-	(16,672,845)	-
March 31, 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
ACCUMULATED AMORTIZATION						
April 1, 2018	-	240,537,019	3,807,160	10,327	-	244,354,506
Amortization	-	40,431,789	273,529	162,834	-	40,868,152
Disposals	-	(10,371,495)	(1,637,840)	(10,327)	-	(12,019,662)
March 31, 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
NET BOOK VALUE						
March 31, 2019	5,250,117	561,128,649	1,540,073	1,092,810	21,006,519	590,018,168
March 31, 2020	5,250,117	566,032,069	2,106,346	746,963	32,313,844	606,449,339

As at March 31, 2020, "Accounts payable and accrued liabilities" includes acquisitions related to tangible capital assets of \$9,512,705 (\$18,634,441 in 2019).

9. SHARE CAPITAL

The authorized share capital is 50 shares without par value and the Corporation has issued and fully paid one (1) share in the amount of \$100.

10. 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 March 31, 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 Financial Statements.

Other contingencies

a) 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 March 31, 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.

b) 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.

11. CONTRACTUAL OBLIGATIONS

Operating Services

The minimum amount payable for police services for the year is \$3,563,425 (\$4,061,190 in 2019). The current agreement expires on June 24, 2029 and its renewal is not automatic.

Suppliers

The Corporation has committed, mainly for major work, procurement, and professional services, to pay an amount of \$116,995,651 over the next few years (\$109,400,521 in 2019). The minimum payments due for the next years are the following:

2021	\$87,732,913
2022	\$17,926,136
2023	\$4,496,333
2024	\$2,336,196
2025 and beyond	\$4,504,073

Leases

The Corporation has committed, under leases for the rental of offices and equipment, to pay an amount of \$2,357,219 in the coming years (\$4,471,726 in 2019). The minimum payments due for the next years are the following:

2021	\$1,397,784
2022	\$581,894
2023	\$194,452
2024	\$177,089
2025 and beyond	\$6,000

12. 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.

During the year, Infrastructure Canada transferred to JCCBI, without consideration, the responsibility for temporary ramps located near the original Champlain Bridge. The fair value of the capital asset is estimated at \$314,950. An equivalent transfer payment revenue was recognized in the Statement of Operations for the year.

13. EXPENSES BY TYPE

	2020 \$	2019 \$
Regular and major maintenance	65,111,868	74,409,856
Environmental obligations	9,407,394	4,241,026
Amortization of tangible capital assets	32,925,145	40,868,152
Salaries and employee benefits	22,549,236	20,691,634
Professional services	12,607,109	10,036,866
Goods and services	6,191,982	5,548,427
Loss on disposal of tangible capital assets	6,366	670,137
Total Expenses	148,799,100	156,466,098

14. FINANCIAL INSTRUMENTS

Fair Value

The carrying value of the Corporation's financial instruments approximates their fair value.

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. The Corporation is subject to credit risk on cash and accounts receivable other than taxes receivable. The Corporation manages this risk by dealing mainly with the government and by closely monitoring credit allocation and collections from commercial clients. The carrying value reported in the Corporation's Statement of Financial Position for its financial assets exposed to credit risk represents the maximum amount exposed to credit risk. The Corporation's credit risk is not significant.

The credit risk associated with cash is minimal, since it is composed of cash balances and since the Corporation only deals with well-known financial institutions that are members of Payments Canada.

The credit risk associated with accounts receivable is minimal since the majority of accounts receivable are due from government agencies. The other accounts receivable showed no outstanding balance (none in 2019).

The level of credit risk and the procedures in place to mitigate this risk are similar to those of the previous year.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they become due. The Corporation manages the risk by establishing budgets and detailed estimates of the cash associated with its operations and by regularly monitoring them. The liquidity risk is low, given that the Corporation is funded, for the most part, by the Government of Canada.

Maturities of the Corporation's financial liabilities are as follows, according to estimates:

	2020 \$	2019 \$
Less than 90 days		
Accounts payable and accrued liabilities	29,003,524	44,294,972
Contractual holdbacks	1,322,017	3,502,969
Subtotal	30,325,541	47,797,941
90 Days to One Year		
Contractual holdbacks	2,066,929	2,430,329
More than One Year		
Contractual holdbacks	825,101	428,196
Total	33,217,571	50,656,466

The level of liquidity risk and the procedures in place to mitigate this risk are similar to those of the previous year.

15. 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 Champlain Bridge in accordance with the principles of sustainable development upheld by the Corporation.

Market Risk

Market risk is the risk that there is an impact on the results following a change in the market conditions. Market risk comprises three (3) types of risk: currency risk, interest rate risk and the price risk. The Corporation is only exposed to interest rate risk. This exposure is attributable to its cash flow. To reduce this risk to a minimum, the Corporation must, in keeping with its investment policy, invest its working capital surplus in highly liquid and low-risk instruments. If interest rates had varied by 1% during the year, the interest revenue on cash would have varied by approximately \$333,092 (\$485,562 in 2019).

The level of risk for the interest rate and the procedures in place to mitigate this risk are similar to those of the previous year.

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PPENDICES

Jacques Cartier Bridge lit up

Board of Directors and Officers

Directors

Henri-Jean Bonnis
Richard Cacchione
Paul T. Kefalas
Catherine Lavoie
Sandra Martel
Me. Sylvain Villiard
Dale Ellen Williams

One member, Mr. Dominique Bouchard, completed his term during the 2019-2020 fiscal year.

Officers

Paul T. Kefalas, Chairman of the Board
Catherine Lavoie, Vice Chair of the Board
Sandra Martel, Chief Executive Officer
Claude Lachance, Treasurer
Me. John Papagiannis, Acting Corporate Secretary

List of committees of the Board of Directors

Audit Committee

Richard Cacchione, Chair
Me. Sylvain Villiard
Dale Ellen Williams

Governance and Ethics Committee

Paul T. Kefalas, Chair
Catherine Lavoie
Me. Sylvain Villiard
Dale Ellen Williams

Human Resources Committee

Dale Ellen Williams, Chair
Henri-Jean Bonnis
Richard Cacchione

Risk Committee – Infrastructure

Catherine Lavoie, Chair
Richard Cacchione
Paul T. Kefalas

Champlain Technical Committee

(abolished September 22, 2019)
Sandra Martel, Chair
Paul T. Kefalas

Corporate Risk Committee

Me. Sylvain Villiard, Chair
Henri-Jean Bonnis
Richard Cacchione
Paul T. Kefalas

Initialisms

CPSAS	CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS
FAA	FINANCIAL ADMINISTRATION ACT
GRI	GLOBAL REPORTING INITIATIVE
JCCBI	THE JACQUES CARTIER AND CHAMPLAIN BRIDGES INCORPORATED
OHS	OCCUPATIONAL HEALTH AND SAFETY
RAD	RESEARCH AND APPLICATIONS DIVISION

About this report

The Corporation is committed to providing transparent information about its activities and investments. This annual report covers the fiscal year from April 1, 2019 to March 31, 2020. It was reviewed and approved by the Board of Directors and the Sustainability Committee.

Contact Information

The Jacques Cartier and Champlain Bridges Incorporated
1225 Saint-Charles Street West, Suite 500
Longueuil, Quebec J4K 0B9

450 651-8771

Information: Communications@pjcci.ca
Website: JacquesCartierChamplain.ca

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