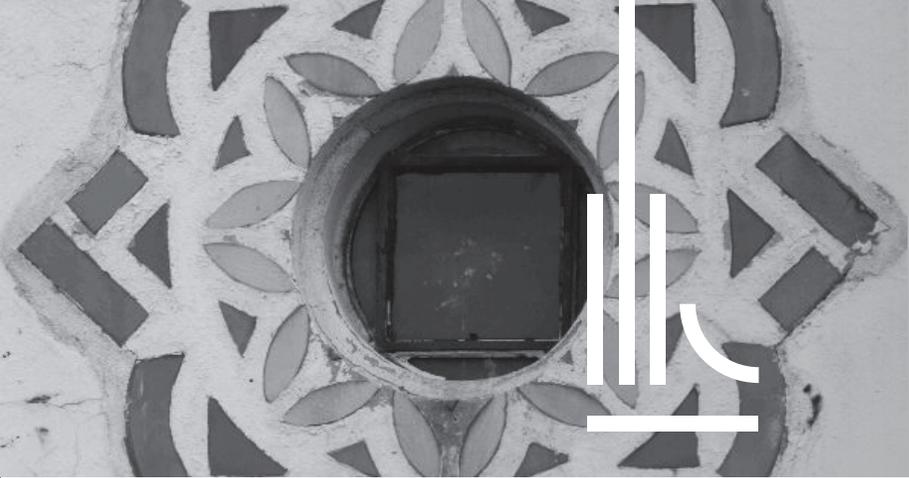


ANNUAL
REPORT
2015 - 2016

LARGE-SCALE WORK, INNOVATIVE PROJECTS, SUSTAINABLE INFRASTRUCTURE

Ponts
JACQUES CARTIER +
CHAMPLAIN
Bridges
Canada





OVERVIEW

THE CORPORATION

MISSION

Use systemic management and a sustainable development approach to ensure that the major infrastructure under its responsibility lasts as long as possible.

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

MANAGER OF MAJOR INFRASTRUCTURE

Responsible for the safe passage of millions of users

Preventive and systemic management of Greater Montreal federal structures

- + Jacques Cartier Bridge
- + Champlain Bridge
- + Federal section of the Honoré Mercier Bridge
- + Champlain Bridge Ice Control Structure
- + Federal section of the Bonaventure Expressway
- + Île des Sœurs Bypass Bridge
- + Melocheville Tunnel

The Jacques Cartier and Champlain Bridges Incorporated (JCCBI or the Corporation) ensures that infrastructure among Montreal's most important and iconic remains safe, fully functional and aesthetically pleasing, today and in the future.

KEY ROAD NETWORK



25,500.7 metres

CONNECTING THE SOUTH SHORE
TO THE ISLAND OF MONTREAL

ACTIVE TRANSPORTATION



6,362.6 metres

OF BICYCLE PATHS

MULTIDISCIPLINARY TEAM

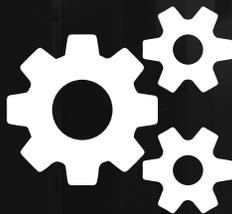


163 employees

BUDGET 2015-2016

\$427M including **\$394M**
PLANNED IN MAJOR WORK

ECONOMIC ENGINE



Up to **6,000**
indirect jobs

SUPPORTED BY THIS INVESTMENT

MAJOR WORK



Nearly **8,000**
interventions

PERFORMED ON ITS STRUCTURES

HIGHLIGHTS 2015-2016

APRIL

- + Two (2) awards of excellence from the Association of Consulting Engineering Companies British Columbia for the engineering of the “super beam” and modular truss installed on the Champlain Bridge
- + Technical media briefing on project planning for 2015

JULY

- + Launch of major work to reinforce and build a new dedicated bicycle path on the ice control structure
- + Announcement of the illumination project for the Jacques Cartier Bridge



SEPTEMBER

- + Start of major repair work on the Melocheville Tunnel



NOVEMBER

- + Transfer of responsibility for the Champlain Bridge approaches to the consortium responsible for the New Champlain Bridge Corridor (NCBC)
- + Successful installation of 39 modular trusses on the Champlain Bridge
- + Annual public meeting highlighting a record year of investment



MARCH

- + Launch of the Corporation's new website and branding

JUNE

- + “Grand prix d'excellence en transport – Prix Communication grand public 2015” from the Association québécoise des transports

AUGUST

- + Work blitz for the redecking of the Honoré Mercier Bridge, which was completed fifteen (15) days ahead of schedule
- + Urban design pilot project on the Jacques Cartier Bridge multipurpose path
- + Installation of dynamic traffic lights for heavy vehicles on the Champlain Bridge



OCTOBER

- + Reconstruction of the main viaduct of Highway 15 completed

DECEMBER

- + Technical media briefing with update on projects for 2015
- + Completion of repairs to the elevated sections of the Bonaventure Expressway
- + Harmonization of policies and practices related to travel, hospitality, conference and event expenses with the Treasury Board's applicable policies and tools



MAP OF JCCBI'S
INFRASTRUCTURE

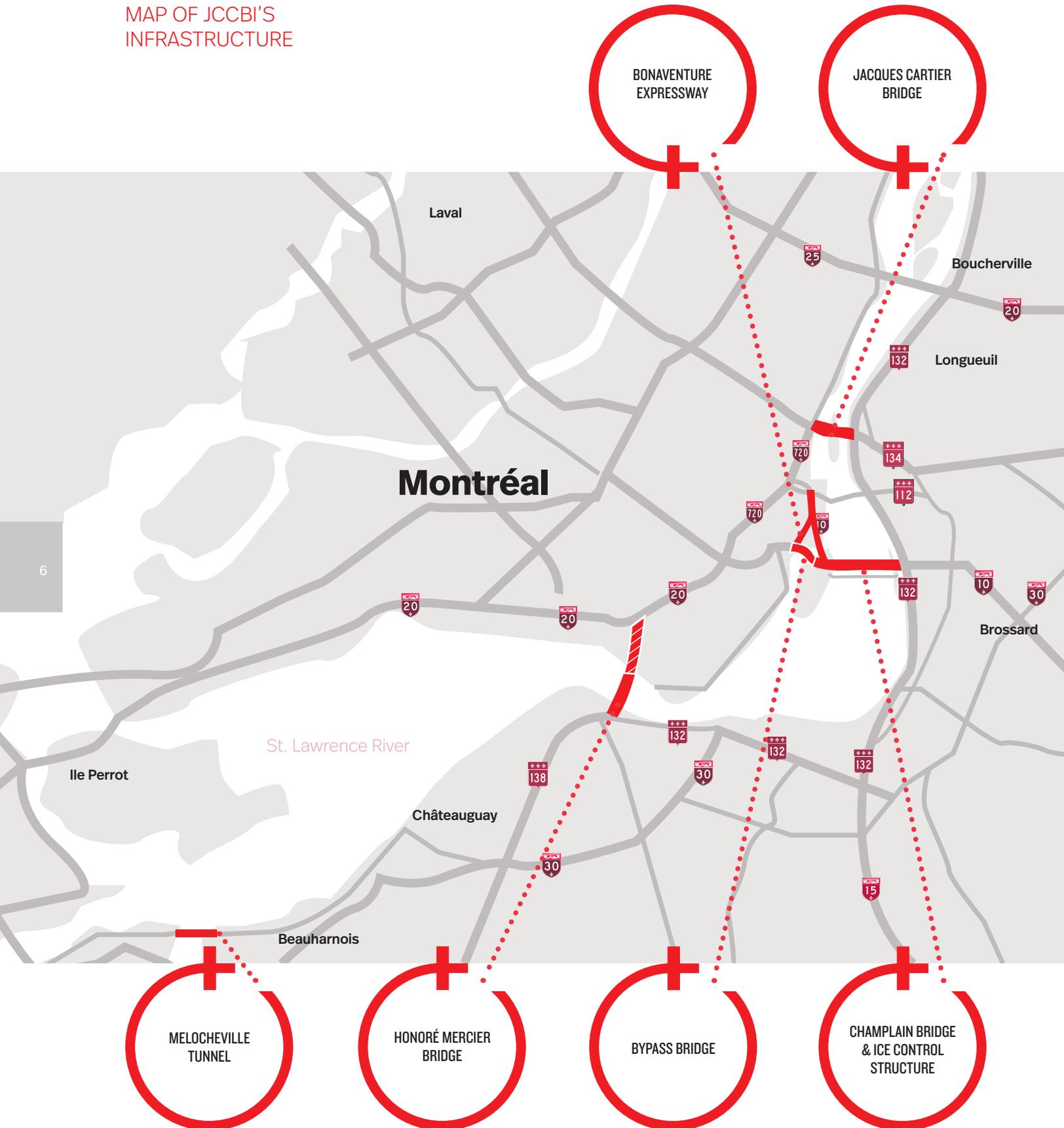


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PAUL T. KEFALAS, Chairman

MESSAGE FROM THE CHAIRMAN

As the government is starting to massively reinvest in the country's infrastructure, this year The Jacques Cartier and Champlain Bridges Incorporated (JCCBI) continued its major repair program on some of the most important infrastructure for Greater Montreal's transportation network and economy. Overall, \$215.2M from our operating budget has been invested in repairs and reinforcements to network.

Thanks to exceptional measures put in place on the Champlain Bridge, a structure at the end of its service life, major progress has been made to improve this bridge's behaviour. JCCBI has dedicated human, financial and material resources, called upon external experts, and deployed innovative reinforcement methods to keep this bridge and its users safe while maintaining this essential economic corridor.

The Government of Canada has also given us a special mandate with the illumination of the Jacques Cartier Bridge. The Corporation is proud to lend its expertise to this key project for the

celebrations of the 150th anniversary of Canadian Confederation and Montreal's 375th anniversary. This light installation will strike the imagination and showcase the bridge's rich contribution to Canada's heritage.

We have made diligent progress in the planning of our large-scale projects, particularly those relating to the environment, to ensure the systemic and long-term management of the Corporation's assets and land.

This year, we also made progress in managing the risks of our infrastructure and integrating it into the communities it serves. This approach has given us solid footing to address challenges and seize opportunities in the future. Through a sustainable development approach, our dedicated and innovative teams are ready to ensure the sustainability of our major infrastructure.



GLEN P. CARLIN, Chief Executive Officer

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

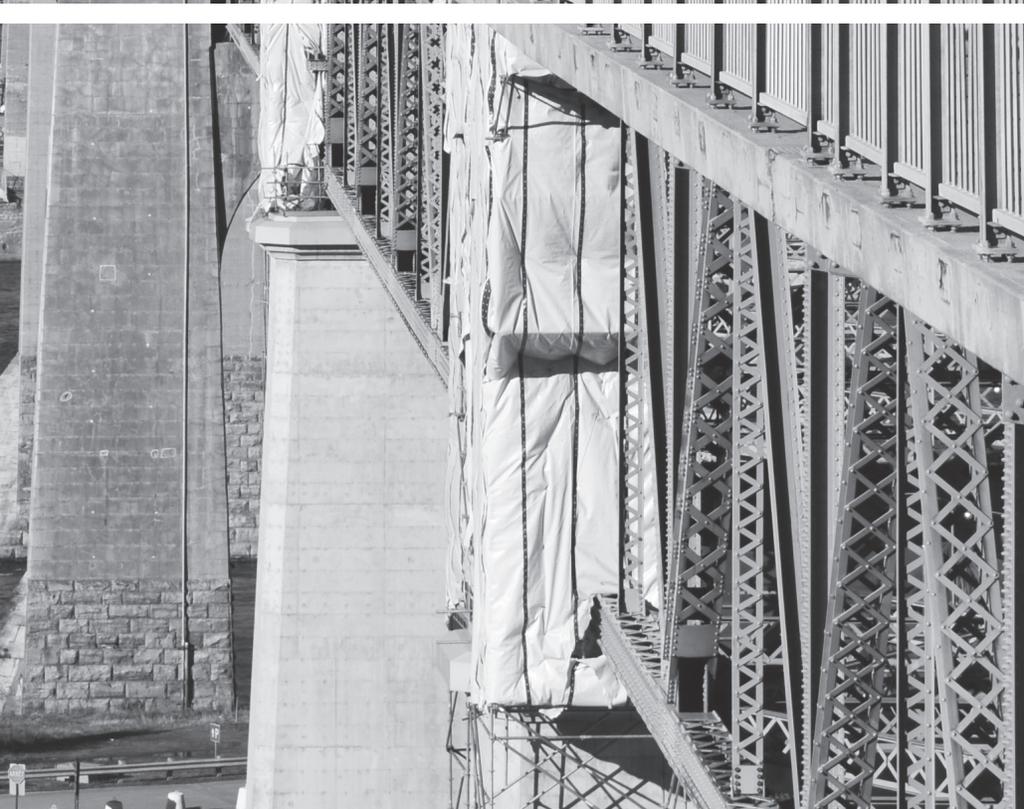
Over the past year, JCCBI has carried out its major repair and maintenance program to address the unique challenges of our aging infrastructure. The complexity, scope and coordination of our work are testaments to the expertise we have developed:

- + For the Honoré Mercier Bridge, we replaced the section of the deck over the seaway—an engineering challenge carried out in collaboration with Mohawk contractors from Kahnawà:ke.
- + For the Champlain Bridge, we successfully installed 39 modular trusses and reinforcement systems to keep this structure safe for users until the new bridge is in service.
- + For the Jacques Cartier Bridge, we completed the painting of the steel structure above the seaway and repairs to the steelwork and piers.
- + For the Bonaventure Expressway, we finalized the deck replacement for the elevated sections as part of the rehabilitation program started in 2008.

- + For the Champlain Bridge Ice Control Structure, we reinforced the deck and created a dedicated bicycle path.

And as for the New Champlain Bridge Corridor, JCCBI helped put in place coordination mechanisms with this project's private partner to effectively manage construction and operation activities in the sector. Responsibility for the federal section of Highway 15 and the approaches of the Champlain Bridge was transferred to Infrastructure Canada during this period.

In a highly demanding context, our teams have showed thoroughness and innovation to keep users safe, improve transportation in Greater Montreal, and ensure that the structures under our responsibility last as long as possible.





ACTIVITY REPORT

OUTLINE

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

+ NOVEMBER 3, 1978

The Corporation is established under the *Canada Business Corporations Act*. At this time, it is a wholly owned subsidiary of the St. Lawrence Seaway Authority.

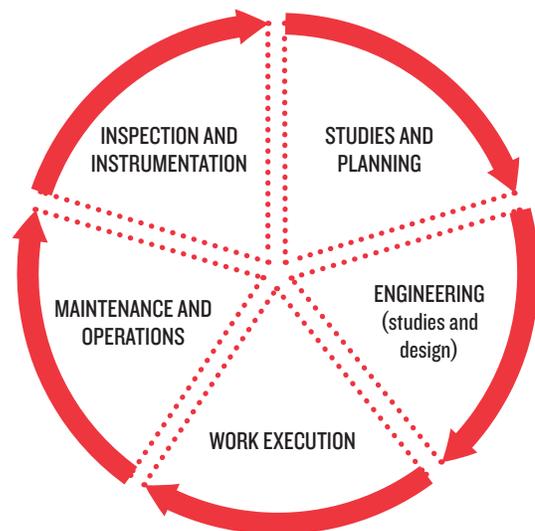
+ OCTOBER 1, 1998

The Corporation becomes a wholly owned subsidiary of The Federal Bridge Corporation.

+ FEBRUARY 13, 2014

The Corporation becomes a parent Crown corporation listed in Part I of Schedule III of the *Financial Administration Act*.

The Corporation manages, maintains, and rehabilitates 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 both today and in the future.

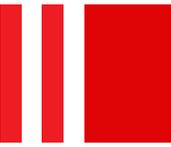




RESPONSIBLE AND PREVENTIVE PRACTICES

Our network is effectively maintained and runs smoothly thanks to daily monitoring, periodic inspections, as well as the planning of major work in collaboration with key public transit stakeholders. To effectively manage the assets under its responsibility and diligently administer public money, the Corporation looks at structural data (inspections, studies and instrumentation) and economic information from a vision of long-term development to determine the best actions to take at the best time.

Its activities include asset management; construction, rehabilitation and reinforcement projects for the infrastructure under its responsibility; as well as the operation and maintenance of this infrastructure.



STRATEGIC ORIENTATIONS 2015-2016

ENSURE
INFRASTRUCTURE
SUSTAINABILITY

OPTIMIZE RELATIONS
WITH USERS, THE MEDIA
AND STAKEHOLDERS

SEIZE
OPPORTUNITIES
FOR GROWTH

ENSURE INFRASTRUCTURE SUSTAINABILITY

Again this year, JCCBI conducted the required proactive investment planning to meet the major rehabilitation and development needs of its infrastructure network. Great effort was put into developing and maintaining an analysis of infrastructure life cycle costs.

Thanks to its inspection program and behavioural studies, JCCBI increased its knowledge of these structures. Some achievements in this area include:

- + Inspection of JCCBI's assets (which include each structure, signal structures, and electrical systems) as well as underwater inspections.
- + Update of Directive on the scope, frequency and documentation of transportation infrastructure inspections.

Given that aging infrastructure has increased needs, the Corporation is currently developing its asset management practices and reviewing all processes and tools as well as everyone's roles and responsibilities by investing in an integrated management system.

The Corporation has continued to dictate and respect environmental requirements for all its projects.

To optimize its major repair program, JCCBI developed a project-based management approach that is closely tied to its daily operations:

- + Issuance of a directive related to project-based management.
- + Deployment of main project-based management functionalities in an integrated management system.
- + Preparation of project-based management documentation, including main management reports.
- + Application of the methodology and system for 19 prefeasibility studies and 31 projects.



19

prefeasibility
studies



31

projects



200

contracts

CHAMPLAIN BRIDGE



VISION

Provide safe and effective passage for users until the inauguration of the New Champlain Bridge Corridor (NCBC) project.

14

HIGHLIGHTS

- + LAUNCH OF THE CHAMPLAIN BRIDGE PROJECT OFFICE WITH A TEAM OF PROFESSIONALS AND CONSULTANTS DEDICATED TO THIS STRUCTURE
- + ENHANCEMENT OF INSTRUMENTATION TO MONITOR THE BRIDGE'S BEHAVIOUR IN REAL TIME
- + MONTHLY LOAD TESTS
- + DETAILED INSPECTION PROGRAM AND MONITORING OF EDGE GIRDERS
- + REPLACEMENT OF EXPANSION JOINTS AND REPAIRS TO PIERS
- + INSTALLATION OF 39 MODULAR TRUSSES AND REINFORCEMENT SYSTEMS

To keep users safe until the new bridge is in service, JCCBI deployed exceptional measures on the Champlain Bridge. Through the integrated management of data on the bridge's behaviour and condition, JCCBI prioritized the most needed reinforcement work and preventively managed the risks associated with a structure at the end of its service life.



15

Overall, 90% of the work was done from the river to reduce the impact on traffic.

The modular trusses are additional steel structures that support the full load of the edge girders. They are installed under the girders and rest on the bridge piers. These structural elements fully compensate for any current or future deterioration of the edge girders, which optimizes user safety.

New traffic lights were installed in the summer of 2015 to dynamically manage heavy vehicle traffic in real time and ensure that loads are spread out as evenly as possible on the bridge.

Thanks to preventive measures on the Champlain Bridge, including work done to address the recommendations in the latest inspection report, JCCBI has seen a clear improvement in the bridge's overall behaviour in the past year. The results from a comprehensive inspection rating developed to include all reinforcement elements have also demonstrated the effectiveness of this approach.

BONAVENTURE EXPRESSWAY

This year, JCCBI finalized the deck rehabilitation on the elevated sections of the Bonaventure Expressway with the completion of the segment in the Pierre-Dupuy Avenue sector. Work was executed in elevated Section 10 to repair one portion of the deck and replace another. Repairs were also done to the piers, one ramp, one abutment and two (2) viaducts.

This year the Solution Bonaventure project was launched to address the environmental management of groundwater. In view of works planned in summer 2016, JCCBI finalized the prefeasibility study and detailed design for the containment and recovery of hydrocarbons in the east sector. The Corporation also awarded the public-private partnership contract for the containment and treatment of groundwater in the west sector, and completed the design for the recovery system and wells that will be built in summer 2016 in the east sector.



VISION

Rehabilitate the expressway while accounting for the new requirements of the NCBC project along with its use for public transit services and the Ville de Montréal's various projects.

HIGHLIGHTS

- + REHABILITATION OF THE ELEVATED SECTIONS
- + DESIGN (DRAWINGS AND SPECIFICATIONS) FOR REPAIRS TO THE GROUND LEVEL SECTIONS AND VARIOUS WORK ON SECTION 10 OF THE BONAVENTURE EXPRESSWAY
- + TWO (2) ENVIRONMENTAL PROJECTS TO MANAGE CONTAMINATED GROUNDWATER

HIGHWAY 15 AND THE ÎLE DES SŒURS BYPASS BRIDGE

The responsibility for the Champlain Bridge approaches was transferred in November 2015 to the consortium responsible for the construction of the New Champlain Bridge Corridor (NCBC). This transfer, which includes operation, maintenance and traffic management, covers the federal section of Highway 15 as well as the current bridge's north and south approaches.

In this sector, the Corporation is still responsible for the operations, maintenance and management of the current Champlain Bridge (abutment to abutment), the federal section of the Bonaventure Expressway, the Champlain Bridge Ice Control Structure and the Île des Sœurs Bypass Bridge.

Located on Highway 15 at the exit of the Île des Sœurs Bypass Bridge, the main viaduct had been partially rebuilt in 2014. This year, JCCBI completed Phase 2 of the project to demolish and completely rebuild the north section of the viaduct. A lot of effort went into maintaining the same number of lanes, that is two (2) in each direction, throughout the work. The responsibility for the viaduct was also transferred to the consortium in November 2015.



VISION

Ensure the safe and efficient passage on this structure until it is transferred to the private partner, while taking into account that the highway will be fully rebuilt within the next five (5) years.

JACQUES CARTIER BRIDGE



VISION

Extend the life of the Jacques Cartier Bridge by adding a fifty (50)-year horizon to its life span and improving safety around the structure.

18



HIGHLIGHTS

- + REPAIRS TO DIFFERENT CONCRETE STRUCTURAL COMPONENTS
- + REINFORCEMENT OF THE STEEL STRUCTURE OF THE JACQUES CARTIER BRIDGE
- + PRELIMINARY DESIGN AND PLANS FOR THE ILLUMINATION OF SECTION 7
- + PAINTING OF THE SECTION OVER THE SEAWAY
- + WORK TO REPAIR PIERS, THE STEEL STRUCTURE, AND THE ÎLE SAINTE-HÉLÈNE PAVILION

Major maintenance projects have been ongoing since 2014 to repair the piers and abutments and reinforce the steel structure. Work has been done in a number of bridge sections on the pedestals, piers, decks, sidewalks, the Île Sainte-Hélène pavilion, and the concrete components of Section 9. Reinforcement and painting work was done on the seaway section. A program was also started to replace the bridge bearings and reinforce the steel towers, verticals, diagonals,

vertical gusset plates, main bottom chords, and jacking struts. To ensure user safety, variable messaging signs were replaced and a permanent counting and classification system was installed.



JCCBI is proud to lend its expertise to the illumination of the Jacques Cartier Bridge superstructure (Section 7), a key project for the celebrations of the 150th anniversary of Canadian Confederation and Montreal's 375th anniversary. This project will bring people together while showcasing the city's incredible heritage.

To protect local ecosystems during the work, the Corporation worked toward preventing damage to a potential copper redhorse habitat in the St. Lawrence River.

HONORÉ MERCIER BRIDGE



VISION

Enhance the service performance of the structural components that support the deck while improving safety around the structure.



20

HIGHLIGHTS

- + REPLACEMENT OF THE SEAWAY SECTION DECK AND PREPARATORY WORK FOR THE LAST PHASE
- + STEEL REPAIRS ON THE ÎLE MALINE SECTION
- + DESIGN (DRAWINGS AND SPECIFICATIONS) TO REPAIR THE PIERS AND APPLY PREVENTIVE REINFORCEMENTS TO THE STRUCTURAL STEEL OF SECTION 1 OF THE BRIDGE
- + MAJOR REPAIR PROGRAM INVOLVING THE PIERS, STEELWORK, PAINTING, AND THE REVITALIZATION OF THE AREAS AROUND THE BRIDGE APPROACHES
- + BEARING CAPACITY STUDY

As part of its program to redeck the federal section of the Honoré Mercier Bridge, this year JCCBI replaced the section of the deck located above the seaway. Despite the technical challenges of working on a steel structure above traffic lanes, the repair work that was planned over an accelerated eight (8)-week schedule finished fifteen (15) days early. This project was

carried out by Mohawk workers from Kahnawà:ke in collaboration with the Mohawk Council of Kahnawà:ke.

Another project to fully replace the deck inspection walkway also started this year.



CHAMPLAIN BRIDGE ICE CONTROL STRUCTURE



VISION

Enhance the structure’s service performance and accessibility considering the strategic use of this corridor for the NCBC project while maintaining the structure’s recreational function.



This year, JCCBI carried out major work on the Champlain Bridge Ice Control Structure to reinforce the deck. The ice control structure is used more and more by contractors and heavy vehicles for major maintenance work on the Champlain Bridge and the NCBC project.

Work was also done to create a dedicated bicycle path. Since the structural design of the ice control structure allowed for the addition of a separate upstream lane, JCCBI took this opportunity to make this crossing safer and to improve the experience for cyclists, pedestrians and runners. The new dedicated path is three (3) metres wide and its surface is made of lightweight and durable material. An LED street light system has considerably improved lighting quality while decreasing energy consumption.

HIGHLIGHTS

- + REINFORCEMENT OF THE ICE CONTROL STRUCTURE DECK
- + CONSTRUCTION OF A NEW DEDICATED BICYCLE PATH
- + DESIGN (DRAWINGS AND SPECIFICATIONS) TO REDEVELOP THE APPROACHES AND CONTROL ACCESS TO THE ICE CONTROL STRUCTURE
- + PREPARATORY STUDY FOR THE REPAIR OF TWO (2) SPANS

MELOCHEVILLE TUNNEL



VISION

Maintain acceptable service performance and reduce the typical risks for this type of structure.

\$7.2M

INVESTED IN
MAJOR WORK



Major work started on the Melocheville Tunnel in three (3) phases so that the Corporation could conduct important repairs on the structure and enhance its security devices. Traffic in both directions is being maintained throughout the work.

HIGHLIGHTS

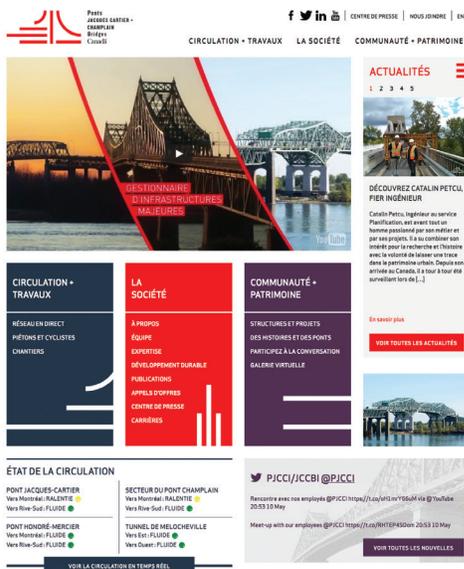
- + MAJOR REPAIRS TO THE CONCRETE WALLS IN THE SOUTH AND NORTH TUBES
- + INSTALLATION AT THE TUNNEL ENTRANCE OF A SYSTEM TO DETECT OVERHEIGHT VEHICLES
- + IMPROVED DRAINAGE AT THE APPROACHES
- + REAL-TIME INCIDENT TRACKING WITH A NETWORK OF CAMERAS IN THE TUNNEL

OPTIMIZE RELATIONS WITH USERS, THE MEDIA AND STAKEHOLDERS

The infrastructure under the Corporation's responsibility is part of the daily life of the users, residents and communities served. To guide its strategic initiatives and programs, JCCBI takes great care to maintain an open dialogue with its different stakeholders and create a relationship built on trust.

Thanks to a new graphical signature, JCCBI enhances its impact and reputation. Inspired by a vision of the future built on the Corporation's constantly developing expertise, this new image reflects JCCBI's multidimensional work as a responsible manager of major infrastructure, as it not only plays a key role in transportation but is also an innovative expert and a stakeholder in Montreal's social and urban life.

JACQUESCARTIERCHAMPLAIN.CA



To provide users with a simple tool that makes it easier for them to get around the Montreal region, JCCBI launched a new website this year, which includes a dashboard with very useful functionalities: live traffic conditions, traffic cameras, in-progress road closures or obstructions, and the seven (7)-day work

schedule on the Corporation's structures. Motorists, truck drivers, cyclists and pedestrians can also get SMS-message alerts about major closures or emergency work.

Along with a completely revamped visual design, the new website also lets web users discover a new side to the infrastructure under the Corporation's management through stories and technical data sheets and learn more about their history.

COORDINATION AHEAD OF TIME AND ON TIME

The bridges and structures managed by JCCBI play an essential role in the transportation of goods and people in Greater Montreal. Many meetings are held on a regular basis with public partners, public transit authorities, and emergency and police services so that the Corporation can plan major road work and any related mitigation measures.

JCCBI also participates to all four (4) sections of Mobility Montréal, whose primary mission is to coordinate federal, provincial and municipal work in the Greater Montreal region.

COMMUNITY INVESTMENT

Since its creation, the Corporation has played an active role in improving the quality of life of the communities in which it operates by responsibly managing the structures under its management. This community investment includes support for local initiatives:

- + Syringe recovery program in the areas around the Jacques Cartier Bridge (Montreal side)
- + "Pont d'acier Hercule" student club competition: support to the École de technologie supérieure (ÉTS) team

- + Financial partner in the 50th transportation convention and trade show of the Association des transports du Québec
- + Land occupancy permit issued to COOP Les Valoristes to recover recyclable and reusable materials and bottles for deposit
- + Sponsorship of the Montreal section of the Canadian Society for Civil Engineering
- + National Student Steel Bridge Competition: support for the Université Laval team
- + Land occupancy permit to Sentier Urbain, an organization that uses land under the Jacques Cartier Bridge for education and urban horticulture

Les Valoristes



striking, modulated effect and transforms the space with multicoloured strips attached to the posts of the multipurpose path railing.

The Corporation makes sure that some of Greater Montreal's most important and significant infrastructure remains safe, fully functional and aesthetically pleasing. To do so, JCCBI strives to maintain an open and transparent dialogue with the media and the public.

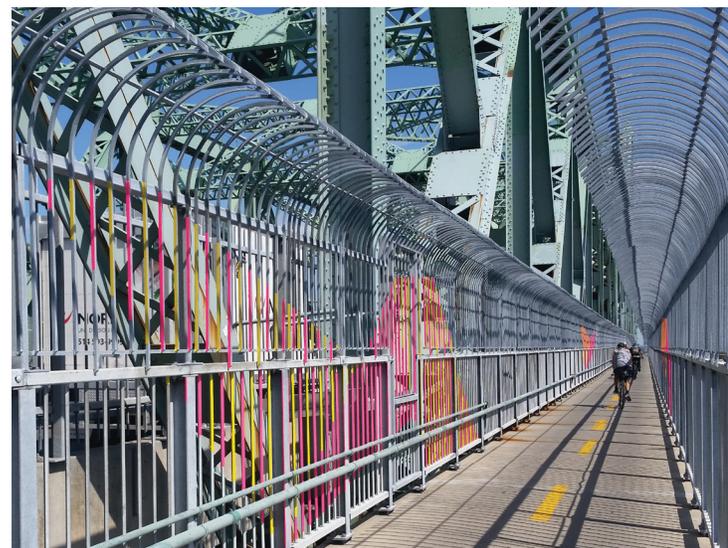
- + Two (2) annual media events (technical briefings)
- + New website
- + Presence and active participation on social networks (19,091 followers on Twitter, Facebook page, LinkedIn company page, Flickr account, YouTube channel)
- + User information and services provided by phone and email and over social networks
- + Ongoing communication with traffic reporters and the media, interviews and on-site tours
- + Advertising campaigns for major work blitzes
- + Email and text alerts for major network hindrances or closures
- + Collaboration with municipal agencies and partners to communicate information to the public

IMPROVED INFRASTRUCTURE INTEGRATION

JCCBI is also piloting asset development projects to improve the urban integration, functionality and appearance of the structures under its responsibility. In 2015, the Corporation's employees carried out a volunteer initiative to landscape the south approach of the Jacques Cartier Bridge.

JCCBI also conducted a pilot urban art project for the multipurpose path on the Jacques Cartier Bridge. This urban artwork creates a visually

Veduta



SEIZE OPPORTUNITIES FOR GROWTH

PERFORMANCE AND TEAMWORK

JCCBI is working to continuously improve and optimize its responsible, preventive and systemic management practices.

- + Development and implementation of a customized training plan for the Corporation
- + Deployment of integrated technological tools to support operations and administrative processes
- + Strengthening of efforts to improve occupational health and safety (OHS) through the creation of an OHS advisor position and a strategic OHS plan
- + Tracking of organizational transformation in a context of growth and change management
- + Restructuring of senior management so that all infrastructure directorates are brought together and coordinated under a single Operations directorate

FINDING SUSTAINABLE SOLUTIONS

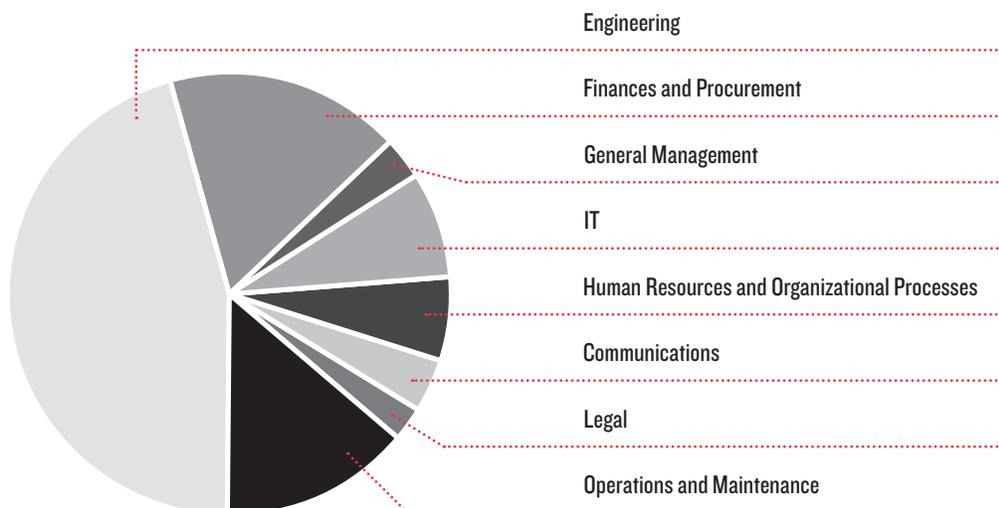
Launched in April 2015, JCCBI's Centre for Infrastructure Innovation (CII) has a mission to develop and promote the expertise of the Corporation with an objective to ensure the sustainability of the organization and its structures. As an adjunct to the Corporation's activities, the CII is constantly looking for best practices to create technical applications.

The CII helps JCCBI develop and implement innovative solutions that stem from strong expertise and comprehensive and sustainable strategies to manage and maintain major infrastructure and extend its service life.

Two research projects are currently being developed:

- + Use of innovative ultra-high performance concrete to sustainably reinforce and rehabilitate bridge piers (Polytechnique Montréal)
- + Evaluation of carbon-fibre-reinforced polymers as shear reinforcements for the girders (McGill University)

+ EXPERT AND MULTIDISCIPLINARY TEAM





Super beam

AWARDS

In November 2013, an inspection revealed a major crack in one of the edge girders of the Champlain Bridge. JCCBI worked tirelessly to implement a technical solution that would minimize the impact for bridge users while ensuring their safety. JCCBI earned several awards for the expertise and innovation it demonstrated during “operation super beam.”

AWARD OF EXCELLENCE 2015

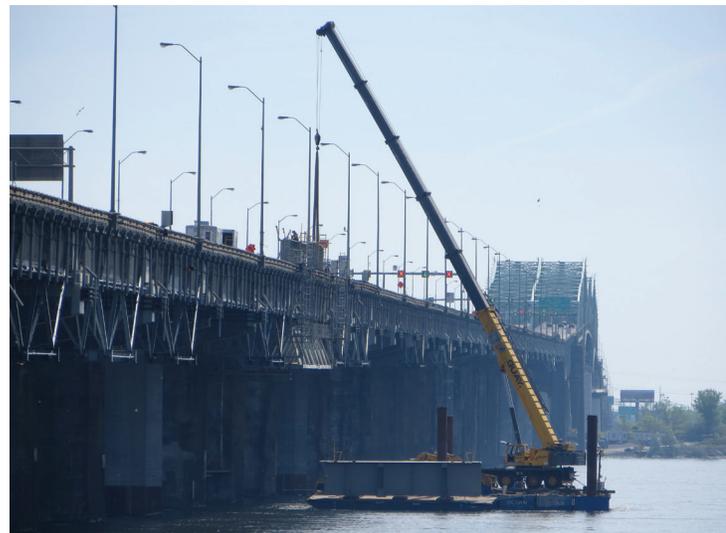
The Association of Consulting Engineering Companies British Columbia recognized JCCBI and Buckland & Taylor for the engineering of the “super beam” and modular trusses installed on the Champlain Bridge.

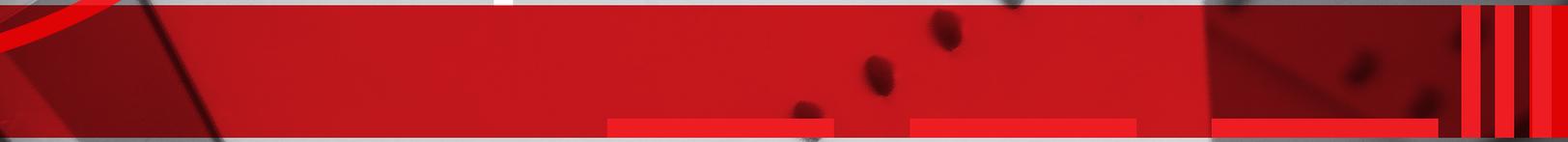
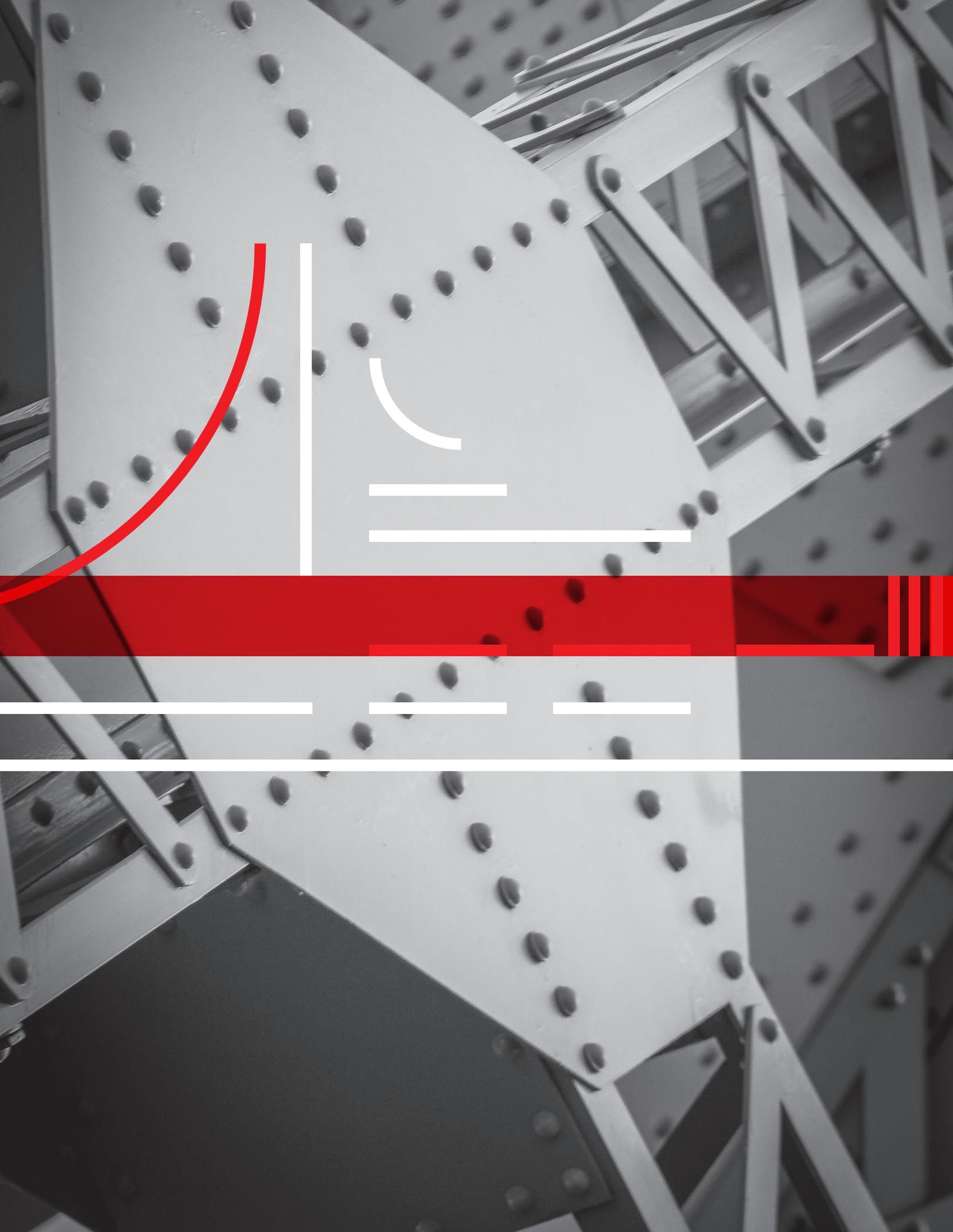
GRAND PRIX D'EXCELLENCE EN TRANSPORT – PRIX COMMUNICATION GRAND PUBLIC 2015

The Association québécoise des transports honoured JCCBI for its communications campaign for the Champlain Bridge “super beam” project.

LIEUTENANT GOVERNOR'S AWARD FOR ENGINEERING EXCELLENCE 2015

The Association of Consulting Engineering Companies British Columbia recognized JCCBI and Buckland & Taylor for the engineering of the “super beam” and modular trusses installed on the Champlain Bridge.





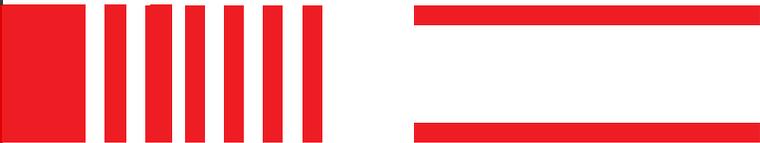


GOVERNANCE

ACCOUNTABILITY

The Jacques Cartier and Champlain Bridges Incorporated is a Crown corporation, agent of the Crown pursuant to *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 BOARD'S ACTIVITIES



24

meetings



157

decisions rendered

THE BOARD'S COMMITTEES

In accordance with sound governance practices, the Board of Directors has formed three (3) standing committees:

- + The **Governance Committee**, which is responsible for assessing all of JCCBI's governance aspects and practices. Its mandate is to advise the Board of Directors on how JCCBI 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. These include monitoring JCCBI's integrity and behaviour standards, the integrity and credibility of its financial statements, and its internal control systems and practices.
- + The **Human Resources Committee**, whose main role is to provide guidance for the development of human resources policies, programs and practices that are consistent with JCCBI'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.



Guy Martin
Director

Paul T. Kefalas
Chairman of the
Board of Directors

Glen P. Carlin
Chief Executive
Officer

Denise Hébert
Director

Serge Martel
Vice Chair of the
Board of Directors

Dominique Bouchard
Director

MANAGEMENT TEAM

JCCBI's multidisciplinary team is led by experienced and diligent professionals.



Nathalie Cayouette, CRIA
Director, Human Resources

Sylvie Lefebvre, B.C.L.
Legal Counsel

Claude Lachance, CPA, CMA, MBA, ASC
Senior Director, Administration

Sandra Martel, Eng.
Chief Operations Officer

Glen P. Carlin, Eng., F.CSCE, F.E.I.C.
Chief Executive Officer

Steve Tselios, Eng.
Senior Director, Engineering

Catherine Tremblay, Eng.
Senior Director, Projects, Construction and Operations

Julie Paquet, MA
Director, Communications

François Demers, Eng, M. Eng.
Senior Director, Champlain Projects/NCBC

AUDIT REGIME

JCCBI's auditor is the Auditor General of Canada pursuant to *The Jacques Cartier and Champlain Bridges Inc. Regulations* and the order-in-council 2016-219. The Auditor General conducts an annual audit of JCCBI's operations in accordance with the FAA to ensure that its 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, the *Canada Business Corporations Act*, and administrative regulations.

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.

Given the particular characteristics of the Honoré Mercier Bridge deck replacement project, particularly the fact that the project is being conducted in partnership with the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports du Québec (MTMDET) and that JCCBI acts as manager of the project, JCCBI has retained the services of an external accounting firm that provides internal financial auditing services and accounting support for this project.

Melocheville Tunnel

ACCESS TO INFORMATION

JCCBI processes all requests for access to information in accordance with the *Access to Information Act* and the *Privacy Act*. Through the Info Source portal, the Corporation provides information about its functions, programs, activities and related information holdings.



9

access to
information
requests

WERE PROCESSED IN 2015-2016



REMUNERATION

The Governor in Council determines the salary ranges for the Chairman, 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 and a per diem of \$300 to attend the meetings of the Board of Directors and its committees, while other Board members receive an annual retainer of \$3,800 and a per diem of \$300. Board members are reimbursed for 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 of Employment for Full-Time Governor in Council Appointees*. The salary range for the Chief Executive Officer (CEO 3) is \$179,200 to \$210,800. The Chief Executive Officer does not receive a per diem to attend Board meetings.

The Governor in Council may also award 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.

TRAVEL, HOSPITALITY, CONFERENCE AND EVENT EXPENSES

On July 16, 2015, by Order in Council P.C. 2015-1112, His Excellency the Governor General in Council instructed JCCBI, under section 89 of the FAA:

- + To harmonize its travel, hospitality, conference and event expense policies, guidelines and practices with the Treasury Board's related travel, hospitality, conference and event expense policies, guidelines and tools in a manner that complies with its legal obligations.
- + To report on the implementation of these instructions in its next corporate plan.

The Corporation therefore modified its policies and practices related to travel, hospitality, conference and event expenses to comply with the Treasury Board's instructions. JCCBI has not identified any incompatibility with its legal obligations.

The different steps of this implementation strategy were completed on December 30, 2015.

+ THIS TABLE STATES THE ANNUAL TRAVEL, HOSPITALITY, CONFERENCE AND EXPENSES FOR THE 2015-2016 FISCAL YEAR:

	2015-2016 (in thousands \$)
Travel	74
Hospitality	20
Conference	41
TOTAL	135

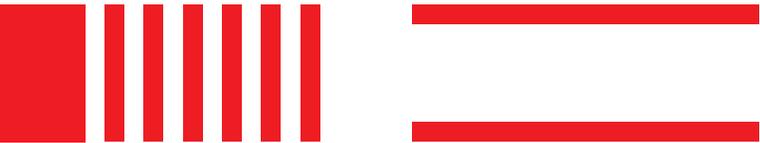




SOCIAL RESPONSIBILITY

In its 2015-2016 strategic plan, JCCBI set a goal to create and reinforce its sustainable development strategy with a global and systemic approach. This approach is now part of the Corporation's mission, and a multi-year action plan has been created to ensure that it is implemented.

Sustainable development is part of the Corporation's overall strategy.

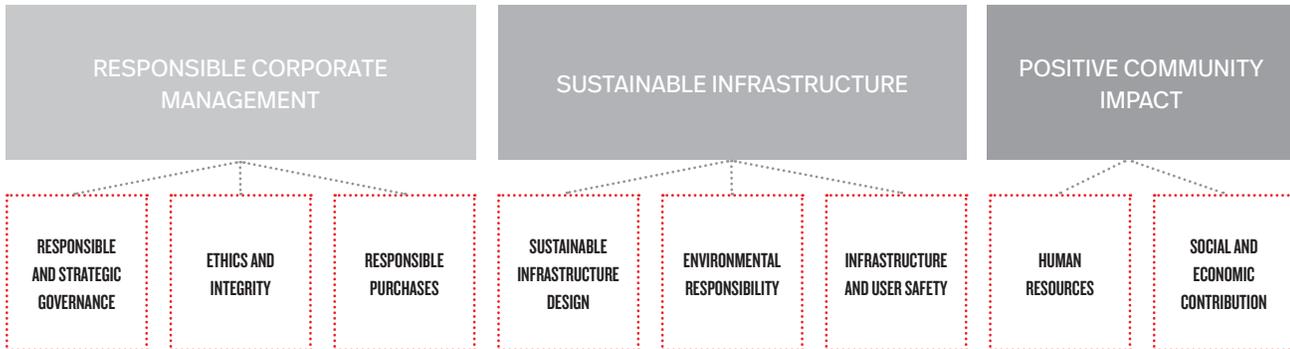


VISION

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

MISSION

Use systemic management and a sustainable development approach to ensure that the major infrastructure under its responsibility lasts as long as possible



PROCESS

To develop its sustainable development strategy, JCCBI has adopted a thorough and structured process that includes three (3) major phases.

First, experts conducted an in-depth review of existing documentation and interviewed representatives from different departments to perform a preliminary diagnostic. This analysis was also based on recognized standards, such as the Global Reporting Initiative guidelines and the ISO 26000 standard on corporate social responsibility. The maturity of this process was based on four (4) criteria—commitment, implemented programs, performance measurement and communication—which established a full diagnostic for the Corporation's eight (8) key sustainability themes.

A benchmarking study then compared JCCBI's positioning with that of five (5) other organizations chosen for their status or size or the fact that their activities are similar or comparable to those of JCCBI. Through this step, JCCBI identified the strengths and possible areas of improvement for its strategy.

Stakeholders were also surveyed to determine the economic, environmental and social aspects they feel are most important when it comes to JCCBI.

This work allowed the Corporation to create its strategy, orient and prioritize its actions, and adapt its communications to respond to stakeholders' concerns.



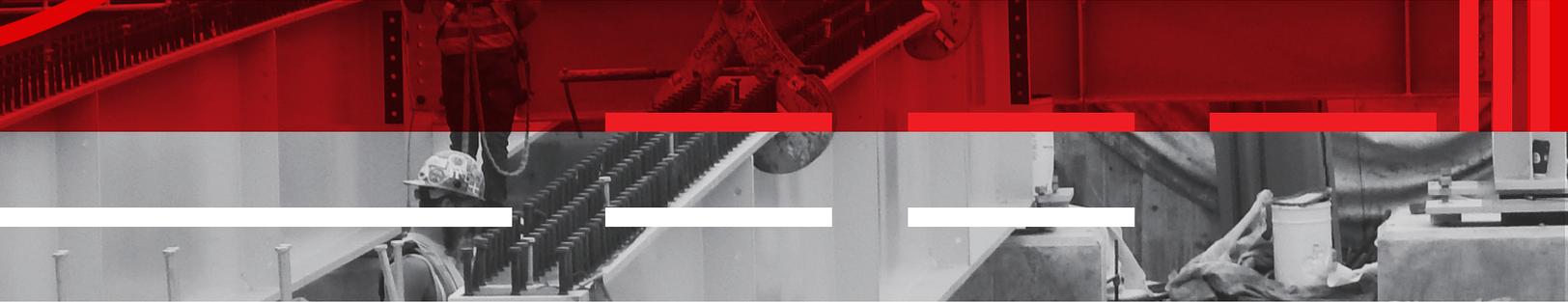
Falcon

SUSTAINABLE DEVELOPMENT STRATEGY

JCCBI's sustainable development strategy thus includes eight (8) themes structured under three (3) areas of action. Goals have been established for each theme to guide the Corporation's sustainable development approach. A multi-year plan is being developed to implement this strategy and translate it into measurable goals and concrete actions. Accountability in the area of sustainable development will be done through an annual report.

Brown snake







PERFORMANCE ANALYSIS

STRATEGIC ISSUES AND RISKS

INFRASTRUCTURE SAFETY AND SECURITY



The infrastructure that JCCBI operates and maintains has been subjected to heavy traffic, climate conditions, and an abundant use of road salt. The age of the infrastructure, the funding required to maintain and repair it, as well as deliberate acts, such as terrorism, vandalism or even protests, all represent real risks.

Safety and security risks from any closure to lanes, a bridge, or the seaway could impact:

- + User safety
- + The regional and national economy
- + The reputation of JCCBI and Canada

Through funding received in the 2014 Budget, JCCBI started a major repair and maintenance program to extend the service life of its structures. In 2015-2016, the Corporation completed 84% of works planned in its major maintenance program.

JCCBI soundly administers this major maintenance program to extend the service life of its infrastructure as much as possible.

JCCBI also has an emergency measures plan and works with other partners to coordinate emergency procedures and approaches.

JCCBI holds regular follow-up and coordination planning meetings with police services to manage risks related to terrorism, vandalism and protests. Systems have also been installed for ongoing monitoring.

SUSTAINABLE FUNDING

JCCBI does not have funding beyond 2018-2019. If this lack of funding is not addressed, there could be an impact on JCCBI's ability to carry out inspections and perform maintenance work, thus increasing the risk associated with the degradation of the bridges and structures.

JCCBI is continuing to work with Infrastructure Canada to define short- and long-term funding needs with a ten-year funding plan that is reviewed annually. A source of funding must be determined beyond 2018-2019.

Risk reserves have been set aside to cover construction costs and should be sufficient to cover any unexpected work or events.

JCCBI reuses any leftover funds from contracts to perform other work on its structures.

ORGANIZATIONAL CHANGE MANAGEMENT

JCCBI must ensure that it has the operational capacity to carry out its major repair program and fulfill its legal obligations.

The risks related to organizational change management may have an impact on costs if JCCBI does not have information and management systems that are efficient and integrated.

JCCBI has implemented a project-based management model for its organizational structure. It retained the services of a specialized firm to help it manage this organizational change.

JCCBI also implemented new information systems for project and financial planning. These management systems allow JCCBI to provide reliable and timely information.

OCCUPATIONAL HEALTH AND SAFETY

JCCBI must ensure that it has the tools in place to meet its occupational health and safety (OHS) obligations in a complex legal environment.

JCCBI has developed a prevention program for its employees, improved the OHS clauses in its construction contracts, enhanced its work supervision contracts with additional dedicated OHS resources, awarded a global OHS management contract, and hired an internal OHS advisor.

COORDINATION WITH THE CONSTRUCTION OF THE NCBC

JCCBI must manage its infrastructure repair and maintenance projects in the Champlain Bridge sector in close collaboration with Infrastructure Canada (INFC) and the private partner working on the NCBC project.

INFC has reached an agreement with the private partner and with JCCBI to clearly define the role of each party. JCCBI has dedicated coordination resources through its Champlain Bridge Project Office, which is overseeing the major repair program for the current Champlain Bridge and is providing support to both INFC and the private partner.

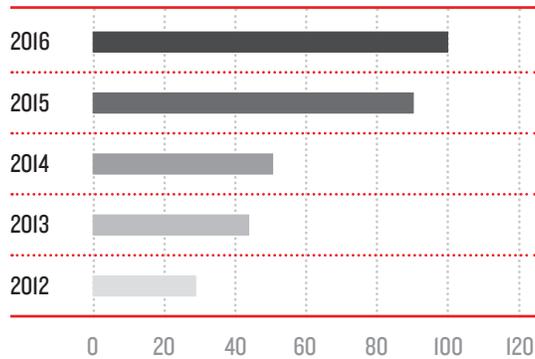
ANALYSIS OF RESULTS

STATEMENT OF FINANCIAL POSITION

FINANCIALS ASSETS

Total financial assets amounted to \$100.3M as of March 31, 2016 (2015 - \$89.4M). The cash position remains closely linked to the payments of the federal government parliamentary appropriations. The main reason for the \$10.9M increase in financial assets is that certain parliamentary appropriations were recently cashed and is related mainly to the increase in accounts payable to suppliers amounting to approximately \$9.2M. As of March 31, 2016, the amount receivable from federal departments and agencies totalled \$17.2M (2015 - \$18.5M).

+ FINANCIAL ASSETS (IN \$M)

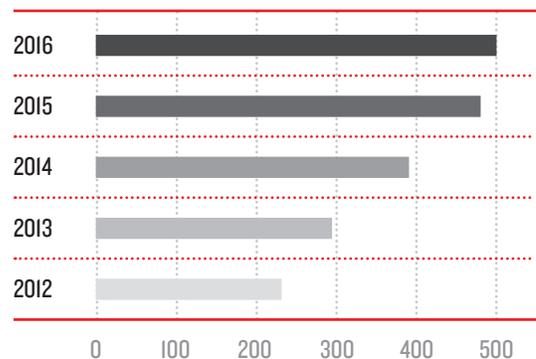


NON-FINANCIAL ASSETS

Non-financial assets total \$502.9M (2015 - \$475.2M), a \$27.7M increase during the period (2015 - a \$92.2M increase). This increase is mostly due to tangible capital assets, totalling \$502.2M (2015 - \$474.4M), a \$27.8M increase over the previous fiscal year (2015 - a \$92.2M increase). Major investments for the year mainly comprised capital asset work on the Jacques Cartier Bridge of \$28.6M, on the Champlain Bridge of \$0.8M, on the Honoré Mercier Bridge of \$16M, work on the Île des Sœurs Bypass Bridge of \$1.3M, work on the Bonaventure Expressway of \$14.1M, work on the Champlain

Bridge Ice Control Structure of \$27.4M, as well as work on the Melocheville Tunnel of \$2.2M. During the 2014-2015 fiscal year, the Corporation ceased to treat the new investments relating to the Champlain Bridge as capital assets. As a result, major work expenditures on this structure totalling \$83.5M were charged to operations. Almost all capital assets are paid through parliamentary appropriations from the Government of Canada. The amortization for the period, in the amount of \$28.9M (2015 - \$22.8M), reduces the investments for the period in 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. The useful life is based on the estimates made by management as to the life of these assets and is subject to periodic review to confirm their validity. 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 degradation 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 have to recognize contingent and 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. To recognize these expenses, management must make significant estimates of the progress of work performed in order to be able to value liabilities at year end. A change in the estimated percentage of work progress could have a significant impact on the estimated value of recognized expenses or tangible capital assets.

LIABILITIES

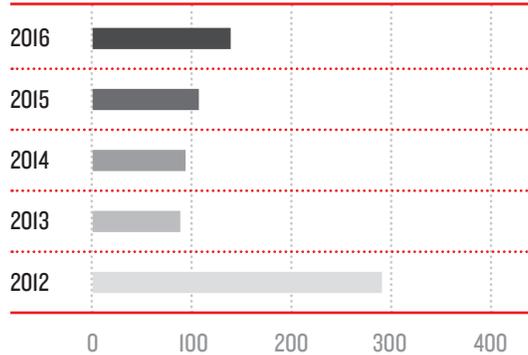
Liabilities, totalling \$141.8M (2015 - \$119.1M), increased by \$22.7M during the period (2015 - \$33.4M). This increase is mainly due to Environmental Obligations as well as Accounts Payable and Accrued Liabilities.

The Environmental Obligations related to contaminated land, obligations which are explained in Note 7 to the Financial Statements, increased by \$12.1M during the current fiscal year (2015 - increase of \$4.8M) and amounted to \$43.2M (2015 - \$31.1M). The work to contain and treat the groundwater should start in June 2016. The increase in Environmental Obligations is due in particular to modifications to operating agreements for the East Sector of the Bonaventure Expressway. It was agreed in summer 2015 that the Corporation would be the sole entity to assume the financial responsibility for the project instead of three partners, as initially planned.

To perform the work on its structures, the Corporation awarded construction contracts that provide for the withholding of a portion of the amounts payable until certain works are completed in compliance with the requirements of the construction contract, or as warranty. These contractual holdbacks totalled \$12.8M as at March 31, 2016 (2015 - \$11.3M), mainly for projects at the Honoré Mercier Bridge, Champlain Bridge, and Jacques Cartier Bridge. A portion of these amounts will become payable when Interim Certificates of Completion are issued and another portion will become due about one year later, after the expiration of the warranty period.

Accounts Payable and Accrued Liabilities increased by \$9.2M during the current fiscal year (2015 - \$36.7M) and reached \$84.3M (2015 - \$75.1M). The change is mainly due to the increase in the Corporation's major maintenance program.

+ LIABILITIES (IN \$M)



ENVIRONMENTAL OBLIGATIONS

The Corporation recognized a major liability for Environmental Obligations for the project to contain and treat contaminated groundwater in the land in the sector of the Bonaventure Expressway, as indicated in Note 7 of the Financial Statements. The estimates for this liability account for the long-term nature of the required containment and treatment measures. Changes in terms of the scope of the estimated costs could have a major impact on the Financial Statements. Note that the Environmental Obligation of \$43.2M shown in the Statement of Financial Position is based on contracts that have been signed or that are currently in tender.

CHANGE IN ACCOUNTING POLICY

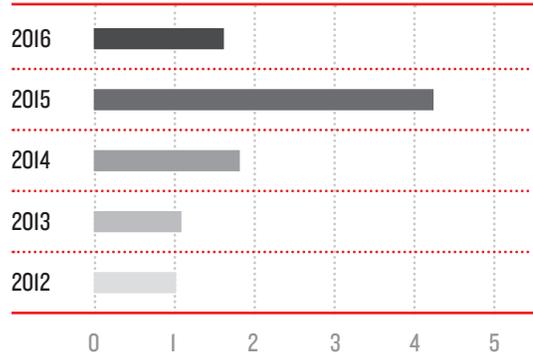
The Public Sector Accounting Board periodically issues new accounting standards that management reviews to determine whether they may apply to the Corporation. No new accounting standards affecting the Corporation were adopted during the fiscal year.

STATEMENT OF OPERATIONS

REVENUES

The Corporation's income in 2016 was \$1.6M (2015 - \$4.3M), a decrease of \$2.7M over the previous fiscal year (2015 - increase of \$2.6M).

+ REVENUES (IN \$M)



The income from leases and permits decreased by \$3M in 2016 (2015 - increase of \$2.4M) to total \$0.7M (2015 - \$3.7M). These revenues decreased following the decision in May 2015 to cease billboard operations, which the Corporation had recognized since February 1, 2014.

PARLIAMENTARY APPROPRIATIONS

The parliamentary appropriations allotted in the Statement of Operations in 2016 budget totalled \$245.3M in 2016 and \$246.2M in 2015. These appropriations were divided between operating expenses of \$157.9M (2015 - \$131.2M) and capital assets of \$87.4M (2015 - \$115M).

+ PARLIAMENTARY APPROPRIATIONS (IN \$M)



Parliamentary appropriations support almost all the financing of the Corporation's activities. For 2015-2016, the appropriations allotted in JCCBI's budget total \$426.8M (2015 - \$412.1M). The use of parliamentary appropriations in the payment of the expenses for the year represents 57.5%, or \$245.3M (2015 - 59.7%, or \$246.2M).

The use of parliamentary appropriations attributable to operating transactions, regular maintenance, administration and engineering is below 12% of the budgeted appropriations allocated for these types of expenses.

The Corporation completed 84% of works planned in its 2015-2016 major maintenance program. Budgeted appropriations for major works in 2015-2016 totalled \$393.5M, out of which \$126.8M was for the Champlain Bridge. The value of the major work carried out during the year was \$215.2M, out, either planned or additional, of which \$84.2M was for the Champlain Bridge.

Excluding the Champlain Bridge, unused funds amount to \$135.7M, or 50.9% of the \$266.7M planned budget. The variance is mainly due to the following items: \$7.9M for unbudgeted partial recovery of the Quebec Sales Tax; \$49.5M for work tendered whose prices were lower than the

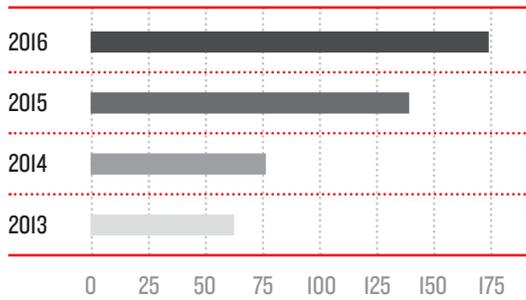
budget estimates (especially due to proactive management of the planning, preparation, and issuance of Calls for Tenders cycles); \$50M for the value of non-completed work; \$10.5M of amounts budgeted associated with the responsibility transfer of Highway 15 to the private partner as part of the NCBC project; and \$11.2M for risk management in order to build capacity to respond quickly, if necessary.

For the Champlain Bridge, unused funds amount to \$42.6M, or 33.6% of the \$126.8M planned budget. The variance is mainly due to the following items: \$4M for unbudgeted partial recovery of the Quebec Sales Tax; \$11.2M for work whose tendered prices were lower than the budget estimates; \$19.8M for the value of non-completed work; \$7.7M of amounts estimated and budgeted for professional services and work to be determined and carried out in the establishment of risk mitigation strategies.

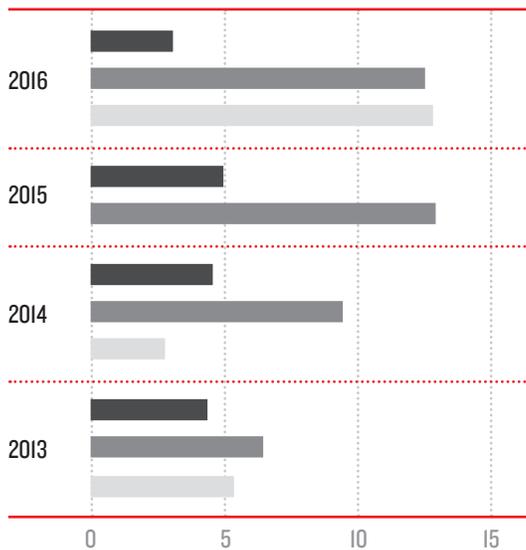
EXPENSES

The Corporation's expenses totalled \$230.9M (2015 - \$153.7M). The \$77.2M increase in expenses (2015 - \$60.7M) is mainly due to a \$31.3M increase in maintenance expenditures (2015 - \$63.4M). Furthermore, on April 1, 2015, the Corporation transferred part of its assets, i.e., Highway 15 and part of the north and south approaches of the Champlain Bridge, which generated a loss of \$30.7M included in the expenses for this fiscal year. Finally, modifications to the assumptions used for the variation of the environmental liability translated into an increase in Environmental Obligations of \$17.3M. Administrative and operating expenses decreased by \$2.1M.

+ MAINTENANCE EXPENSES (IN \$M)



+ OTHER EXPENSES (IN \$M)



Operations
 Administration
 Environmental Obligations

MAINTENANCE

The \$171.6M in maintenance expenses (2015 - \$140.3M) represent an increase of 22.3% over the previous year's expenses (2015 - 82.7%). The variance is mainly due to the increase in the Corporation's major maintenance program and the application of the Corporation's capitalization policy, which is directly related to the nature of the work performed.

OPERATIONS

Operating expenses totalled \$3.2M (2015 - \$4.8M), a decrease of 33% over the previous year (2015 - 1.4%). The variance in operating expenses is mainly due to the agreement with INFC, which includes re invoicing for the police patrol service on the sections of highway transferred to the government for the construction of the NCBC.

ADMINISTRATION

Administration expenses totalled \$12.5M (2015 - \$13M), an increase of 0.1% over the previous fiscal year (2015 - 44.4%). The majority of administration expenses have remained relatively constant during the last fiscal years.

ENVIRONMENTAL OBLIGATIONS

Expenses for Environmental Obligations totalled \$12.9M (2015 - decrease of \$4.4M). These mainly represent the adjustment due to the increase in Environmental Obligations as well as the costs generated by the Environment Directorate of \$0.8M (2015 - \$0.4M). The Environmental Obligation presented in the Liabilities increased by \$12.1M for the current fiscal year (2015 - decrease of \$4.8M). As mentioned previously, this variance is due in particular to modifications of operating agreements for the east sector of the Bonaventure Expressway.

STATEMENT OF CASH FLOW

The Corporation's cash flow depends primarily on the moment when funding from the Government of Canada for expenditures related to projects and maintenance work is received. This funding is issued only upon request, after recognition of the assets 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)

	2016	2015	2014	2013	2012
REVENUES					
Leases and permits	\$0.7	\$3.7	\$1.3	\$0.8	\$0.8
Interest	0.9	0.6	0.4	0.3	0.2
Total Revenues	1.6	4.3	1.7	1.1	1.0
EXPENSES					
Maintenance	171.6	140.3	76.8	60.8	63.2
Operations	3.2	4.8	4.2	4.0	3.9
Administration	12.5	13.0	9.0	6.9	6.6
Environmental Obligations	12.9	(4.4)	3.0	5.4	27.1
Loss on disposal of assets	30.7				
Total Expenses	230.9	-153.7	93.0	77.1	100.8
Deficit before Government of Canada funding	(229.3)	(149.4)	(91.3)	(76.0)	(99.8)
Parliamentary appropriations for operating expenses	157.9	131.2	76.3	58.7	64.1
Portion of transfer payments for tangible capital assets *	87.4	115.0	102.9	56.1	-
Funding from FBCL	-	-	2.3	2.6	2.6
Amortization of deferred contributions related to tangible capital assets **	-	-	-	-	7.5
Operating Surplus (Deficit) ***	\$16	\$96.8	\$90.2	\$41.4	(25.6)

NOTE:

* The presentation of transfer payments for capital assets changed in 2013 in order to be presented in the results instead of being presented under Deferred Contributions Related to Tangible Capital Assets in the Statement of Financial Position, as indicated in Section PS 3410 (Government Transfers) of the PSA Handbook.

** The Amortization of Deferred Contributions Related to Tangible Capital Assets therefore no longer exists following the adoption of Section PS 3410 in 2013.

*** Pursuant to the harmonization of the provincial sales tax ("PST") on December 2, 2013, and the Corporation's status of "municipality" for the purposes of the application of the goods and services tax ("GST"), the latter is entitled to partial PST refunds of 50% as of January 1, 2015 (62.8% as of January 1, 2014).

PERFORMANCE REVIEW

MANAGE AND MAINTAIN

Manage federal infrastructure such as bridges, highways and tunnels as well as properties in the Montreal region.

PERFORMANCE MEASURES IN 2015-2016	PERFORMANCE INDICATORS	TIMELINE	STATUS
Carry out the major inspection and repair program.	Carrying out the repair program based on annual inspections and daily operational reviews.	Once a year	Inspections have been upgraded and completed according to schedule 84% of works planned in the major maintenance program were completed.
Request approval for long-term funding to counter major risks for Montreal's bridges and structures.	Allocation of long-term funding to JCCBI to counter major risks for bridges and structures.	2015-2016	The 2014-2015 to 2018-2019 corporate plan has been revised.
	Allocation of long-term funding to JCCBI for the environmental project of the west and east sectors of the Bonaventure Expressway.	2015-2016	Ongoing. The 2014-2015 to 2018-2019 corporate plan has been approved. The need for funding over a fifteen (15)-year period was addressed to INFC.
Carry out funded projects on time and on budget.	Honoré Mercier Bridge deck rehabilitation program.	2013-2017	Partially achieved. Work is ongoing in the federal section of the bridge and should be completed in 2017.
	Champlain Bridge rehabilitation program.	2013-2018	Achieved. The seventh year of the ten (10)-year plan is currently underway.
	Construction of the Île des Sœurs Bypass Bridge and the new snow storage facility.	2013-2015	Achieved.
	Champlain Bridge edge girder reinforcement program.	2013-2018	Work is continuing according to the revised program.
	Mitigation measures for contaminated groundwater in the Bonaventure Expressway sector.	2013-2017	Work is continuing in collaboration with various stakeholders.

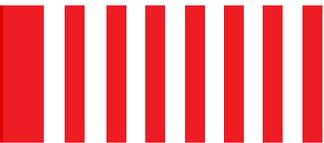


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Pont H.-MERCIER



FINANCIAL STATEMENTS



FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 CPA Canada Public Sector Accounting Handbook (PSA Handbook). This responsibility requires the selection of appropriate accounting principles and the ability to exercise judgement 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 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*, the *Canada Marine Act*, as well as the Corporation’s articles and by-laws.

The Board of Directors is made up of five Directors and of the Chief Executive Officer of the Corporation. 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 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,



Glen P. Carlin, Eng.

June 22, 2016



INDEPENDENT AUDITOR'S REPORT

To the President of the Queen's Privy Council for Canada

Report on the Financial Statements

I have audited the accompanying financial statements of The Jacques Cartier and Champlain Bridges Incorporated, which comprise the statement of financial position as at 31 March 2016, and the statement of operations, statement of change in net debt and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Jacques Cartier and Champlain Bridges Incorporated as at 31 March 2016, 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.

Report on Other Legal and Regulatory Requirements

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

Further, in my opinion, the transactions of The Jacques Cartier and Champlain Bridges Incorporated that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *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* described in Note 1 to the financial statements.



René Béliveau, CPA auditor, CA
Principal
for the Auditor General of Canada

22 June 2016
Montréal, Canada

STATEMENT OF FINANCIAL POSITION AS OF MARCH 31

	2016 \$	2015 \$
FINANCIAL ASSETS		
Cash	73,996,315	65,137,984
Accounts receivable (Note 3)	26,365,791	24,212,755
Total Financial Assets	100,362,106	89,350,739
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	84,257,787	75,052,145
Employee future benefits (Note 5)	1,288,041	1,421,784
Contractual holdbacks (Note 6)	12,810,568	11,282,744
Deferred revenue	269,591	281,893
Environmental Obligations (Note 7)	43,170,000	31,100,000
Total Liabilities	141,795,987	119,138,566
Net Debt	(41,433,881)	(29,787,827)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	502,181,579	474,350,477
Prepaid expenses	671,643	851,133
Total Non-Financial Assets	502,853,222	475,201,610
Accumulated Surplus	461,419,341	445,413,783

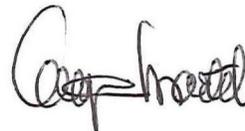
CONTINGENCIES AND CONTINGENT LIABILITIES RELATED TO TANGIBLE CAPITAL ASSETS AND CONTRACTUAL COMMITMENTS (NOTES 10, 11 AND 12)

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

	2016 Budget \$	2016 Actual \$	2015 Actual \$
REVENUES			
Leases and permits	2,559,000	737,464	3,714,856
Interest	200,000	834,101	570,876
Other sources	-	35,464	48,208
Total Revenues	2,759,000	1,607,029	4,333,940
EXPENSES (NOTE 14)			
Maintenance	290,694,000	171,640,690	140,306,568
Operations	4,354,000	3,176,198	4,764,098
Administration	14,711,000	12,528,145	13,046,188
Environmental Obligations	(6,095,000)	12,913,231	(4,443,210)
Loss on disposal of assets	-	30,690,408	-
Total expenses	303,664,000	230,948,672	153,673,644
Deficit before Government of Canada funding	(300,905,000)	(229,341,643)	(149,339,704)
Parliamentary appropriations for operating expenses	270,992,000	157,891,531	131,234,595
Parliamentary appropriations for tangible capital assets	155,808,000	87,455,670	114,970,140
Annual Operating Surplus	125,895,000	16,005,558	96,865,031
Accumulated Operating Surplus, Beginning of the Year	434,961,000	445,413,783	348,548,752
Accumulated Operating Surplus, End of the Year	560,856,000	461,419,341	445,413,783

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

STATEMENT OF CHANGE IN NET DEBT

For the year ended March 31

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Annual Operating Surplus	125,895,000	16,005,558	96,865,031
Acquisition of tangible capital assets (Note 8)	(155,809,000)	(87,455,670)	(114,970,140)
Amortization of tangible capital assets (Note 8)	35,863,000	28,926,167	22,840,489
Loss on disposal of assets	-	30,690,408	-
Gain on sale of tangible capital assets	-	(22,454)	-
Proceeds on sale of tangible capital assets	-	30,447	-
Total Variation Due to Total Tangible Capital Assets	(119,946,000)	(27,831,102)	(92,129,651)
Acquisition of prepaid expenses	-	(2,139,448)	(3,636,558)
Use of prepaid expenses	-	2,318,938	3,573,410
Total Variation Due to Prepaid Expenses	-	179,490	(63,148)
Decrease (increase) in net debt	5,949,000	(11,646,054)	4,672,232
Net debt, beginning of the year	(34,600,000)	(29,787,827)	(34,460,059)
Net Debt, End of the Year	(28,651,000)	(41,433,881)	(29,787,827)

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

STATEMENT OF CASH FLOW

For the year ended March 31

	2016 \$	2015 \$
OPERATING TRANSACTIONS		
Annual operating surplus	16,005,558	96,865,031
Non-cash items:		
+ Amortization of tangible capital assets (Note 8)	28,926,167	22,840,489
+ Loss on disposal of assets	30,690,408	-
+ Gain on sale of tangible capital assets	(22,454)	-
+ Increase (decrease) in employee future benefits	(133,743)	260,345
+ Increase (decrease) in environmental obligations	12,070,000	(4,761,000)
Changes in non-cash working capital items:		
+ (Increase) decrease in accounts receivable	(2,153,036)	12,778,618
+ Increase in accounts payable and accrued liabilities	9,090,352	36,237,538
+ Increase in contractual holdbacks	1,527,824	1,746,233
+ (Decrease) in deferred revenue	(12,302)	(69,943)
+ Decrease (increase) in prepaid expenses	179,490	(63,148)
Cash Flow Provided by Operating Transactions	96,168,264	165,834,163
CAPITAL TRANSACTIONS		
Proceeds from disposal of tangible capital assets	30,447	-
Cash outlay to acquire tangible capital assets	(87,340,380)	(114,970,140)
Cash Flow Used for Capital Transactions	(87,309,933)	(114,970,140)
Increase in cash	8,858,331	50,864,023
Cash, Beginning of the year	65,137,984	14,273,961
Cash, End of the Year	73,996,315	65,137,984

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

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

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 named in Part I of 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 and Champlain Bridges and a portion 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 portion of the Honoré Mercier Bridge and the Melocheville Tunnel. The management of the Champlain Bridge 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 of the Champlain Bridge were transferred by Order in Council, meaning the Corporation is no longer responsible for the management and maintenance of the lands and structures included in the transferred assets.

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

The Corporation is not subject to income tax under the provisions of the *Income Tax Act*.

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

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 contributions from departments, agencies and Crown corporations within the jurisdiction of the Government of Canada are recognized at their fair market value at the date of transfer.

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

- + Bridges and roads: between 5 and 48 years.
- + Vehicles and equipment: between 3 and 10 years.

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

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

EMPLOYEE FUTURE BENEFITS

PENSION PLAN

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

POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

Employees are entitled to days of sick leave and compensation for work injuries, as provided for under their conditions of employment. Employees of the Corporation are subject to the *Government Employees Compensation Act*. Every year, managers and non-unionized employees are paid the unused portion of their days of sick leave. These annual payments are recognized directly in current costs for the fiscal year. Unionized employees accumulate their unused days of sick leave, which are redeemable at the end of their employment with the Corporation. The Corporation recognizes the cost of employee future benefits for sick leave as they are earned by the employees. 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 and probability of employees leaving. 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 expenditures as they are incurred.

FINANCIAL INSTRUMENTS

The Corporation identifies, assesses, and manages the financial risks in order to minimize the impact thereof on its results and financial position. Financial risks are managed in accordance with specific criteria disclosed in Note 15. The Corporation does not engage in speculative transactions nor does it use derivatives.

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

CATEGORIES	FINANCIAL INSTRUMENTS	MEASUREMENT
FINANCIAL ASSETS	Cash Accounts receivable	Cost or amortized cost
FINANCIAL LIABILITIES	Accounts payable and accrued liabilities Contractual holdbacks	Cost or amortized cost

CONTINGENCIES

Contingent liabilities are potential 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.

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 recorded 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, 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 were provided for comparison and were approved by the Board of Directors.

3 ACCOUNTS RECEIVABLE

The Corporation's accounts receivable include the following:

	2016 \$	2015 \$
Due from the Government of Canada	13,823,590	14,301,889
Due from the Government of Quebec	3,329,663	4,250,961
Reinvoicing of work to business partners	6,250,297	4,766,603
Other accounts receivable	2,962,241	893,302
	26,365,791	24,212,755

4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include the following:

	2016 \$	2015 \$
Suppliers and accrued liabilities	82,813,378	73,647,034
Salaries and employee benefits	1,444,409	1,405,111
	84,257,787	75,052,145

5 EMPLOYEE FUTURE BENEFITS

A) PENSION PLAN

All employees of the Corporation are covered by the Plan. The President of the Treasury Board of Canada sets the employer's contributions, which represent a multiple of the employees' contributions. The basic contribution rate in effect at the end of the year was 9.05% (8.15% in 2015) for employees hired before January 1, 2013, and 7.86% (7.05% in 2015) for other employees for each dollar contributed by employees. The total contributions recorded during the fiscal year amount to \$1,364,172 (\$1,188,859 in 2015).

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 consecutive years of earnings. The benefits are coordinated with the Canada Pension Plan and Quebec Pension Plan benefits and are indexed to inflation.

B) POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

The Corporation offered its employees severance benefits based on the number of years of service and the final salary. The Corporation eliminated this benefit on August 31, 2012. Some employees have chosen that these amounts be paid at the time of their departure on the basis of the final salary. Consequently, these amounts due will be paid at the time of termination of employment, out of the parliamentary appropriations at the time of disbursement.

Unionized employees accumulate unused days of sick leave, which are payable at the time of their departure.

These two plans are unfunded, and therefore hold no assets. To calculate the liability for post-employment benefits and compensated absences, the Corporation uses a rate of compensation increase between 2% and 2.5% (2% and 2.5% in 2015), a discount rate of 2.15% (1.99% in 2015), and a probability of employee departure of 15% before retirement eligibility.

For post-employment benefits relating to work injuries, the Corporation recognized a liability amounting to \$335,829 (\$373,710 in 2015). To calculate this post-employment benefit, the Corporation uses a rate of compensation increase between 2% and 2.5% (2% and 2.5% in 2015), a discount rate of 2.15% (1.99% in 2015) for an average life expectancy of 80 years as an assumption for the end of the payment of the compensation.

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

	2016 \$	2015 \$
Accrued benefit obligation, beginning of the year	1,421,784	1,161,439
Current service costs for the year	282,406	447,434
Benefits paid during the year	(416,149)	(187,089)
Accrued Benefit Obligation, End of the Year	1,288,041	1,421,784

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 concerned. The Corporation then pays the 5% contractual holdback (designated as a “performance holdback”) and retains a new amount equal to 2.5% as a contractual holdback (designated as a “warranty holdback”). The contracts provide that the Corporation will pay the second portion of 2.5% of the contractual holdback (designated as a “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 periodically compiles an inventory of all its properties in order to classify their environmental condition for the purposes of prioritizing work, if necessary. The Corporation has a number of properties whose soil is contaminated beyond the acceptable criteria. The properties concerned are located under the Jacques Cartier Bridge and along the Bonaventure Expressway. With respect to the lands under the Jacques Cartier Bridge, water and/or soil contamination was identified in the course of this classification exercise, but additional environmental monitoring work and analyses are required to determine whether the water table may be affected and whether a decontamination exercise

is required. Work to this effect was undertaken during the 2015-2016 fiscal year. As of March 31, 2016, no final conclusion had been issued regarding the appropriate actions to take. Currently, the level of contamination and the subsequent impact and actions to be taken cannot be determined and therefore no environmental liability has been recorded.

As of March 31, 2016, the priority environmental issue for the Corporation is that of the lands located in the Bonaventure Expressway sector in Montreal. These lands, managed by the Corporation since 1978, are located on a portion of and close to a former landfill site operated by the Ville de Montréal 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. The site can be divided into two sectors: the east sector and the west sector.

A) EAST SECTOR

The Corporation has issued a call for proposals for the construction of a containment system. The amounts for the liability related to this project are based on estimates from external firms. The main characteristics and hypotheses for this projects are as follows:

- + The project will begin in summer 2016 with the construction of a containment system comprised of a watertight barrier and a capture system.
- + The system will become operational in winter 2017.
- + Recovery and decontamination operations will extend over an estimated 15-year period. The project duration will extend beyond this period, but it is impossible to determine the costs beyond 15 years.
- + There is no residual value to the project.

B) WEST SECTOR

During the fiscal year, the Corporation awarded a contract for the construction of a hydraulic barrier and treatment plant. The assessment of the obligation related to the west sector is therefore based on the financial terms thereof:

- + The project will begin in 2016 with the construction of a hydraulic barrier and treatment plant.
- + Containment operations will begin in 2017 and extend over an estimated 15-year period. The project duration will extend beyond this period, but it is impossible to determine the costs beyond 15 years.
- + For the west sector, the portion of the costs attributable to the Corporation is 50% of the total costs to be incurred.
- + There is no residual value to the project.
- + The Corporation will manage this project.

	Main Assumptions As of March 31, 2016	East Sector	West Sector
DISCOUNT RATE (NOTE 1):			
i) Fiscal years 2017 and 2018	2015	0.50%	0.50%
	2016	0.54%	0.54%
ii) Long-term	2015	1.99%	1.99%
	2016	2.00%	2,00 %
INFLATION RATE – NRBCPI (NOTE 2):			
Non-residential buildings	2015	3.21%	3.21%
	2016	3.17%	3.17%
Accuracy factor		+/-10%	-
UNDISCOUNTED RANGE TO WHICH THE INFLATION RATE WAS APPLIED:			
In 2015	Minimum	\$23,300,000	\$12,100,000
	Maximum	\$43,200,000	\$12,100,000
In 2016	Minimum	\$36,210,000	\$12,752,000
	Maximum	\$44,012,000	\$12,752,000
DISCOUNTED RANGE TO WHICH THE INFLATION RATE WAS APPLIED:			
In 2015	Minimum	\$20,600,000	\$10,500,000
	Maximum	\$38,300,000	\$10,500,000
In 2016	Minimum	\$32,050,000	\$11,120,000
	Maximum	\$39,300,000	\$11,120,000
Provision for Environmental Liability		\$32,050,000	\$11,120,000

Since 2016, no range shall be considered for the obligation for the west sector, as this part of the project is based on financial terms in the awarded contract for the decontamination solution. For the east sector, the Corporation considers it reasonable to set its assessment of the obligation at the lower range of the total estimated discounted costs.

As of March 31, 2016, the Corporation therefore estimates the environmental obligation at \$43,170,000 (\$31,100,000 in 2015) for the east and west sectors. This amount was recorded as Environmental Obligations in the Statement of Financial Position as of March 31, 2016.

Note 1

Long-Term Government of Canada Bonds

Note 2

Non-Residential Building Construction Price Index

8 TANGIBLE CAPITAL ASSETS

	Lands \$	Bridges and Roads \$	Vehicles and Equipment \$	Projects in Progress \$	Total \$
COST					
April 1, 2014	6,890,863	424,964,116	4,332,604	117,335,658	553,523,241
Acquisitions	-	47,953,797	139,280	66,877,063	114,970,140
Disposals	-	-	-	-	-
Transfers	-	71,525,622	-	(71,525,622)	-
March 31, 2015	6,890,863	544,443,535	4,471,884	112,687,099	668,493,381
Acquisitions	-	22,129,437	346,735	64,979,498	87,455,670
Disposals	(1,640,746)	(72,732,742)	(165,534)	-	(74,539,022)
Transfers	-	23,655,223	-	(23,655,223)	-
March 31, 2016	5,250,117	517,495,453	4,653,085	154,011,374	681,410,029
ACCUMULATED AMORTIZATION					
April 1, 2014	-	168,647,542	2,654,873	-	171,302,415
Amortization	-	22,153,907	686,582	-	22,840,489
Disposals	-	-	-	-	-
March 31, 2015	-	190,801,449	3,341,455	-	194,142,904
Amortization	-	28,369,600	556,567	-	28,926,167
Disposals	-	(43,683,080)	(157,541)	-	(43,840,621)
March 31, 2016	-	175,487,969	3,740,481	-	179,228,450
NET BOOK VALUE					
March 31, 2015	6,890,863	353,642,086	1,130,429	112,687,099	474,350,477
March 31, 2016	5,250,117	342,007,484	912,604	154,011,374	502,181,579

9 SHARE CAPITAL

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

10 CONTINGENCIES

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.

In a project for work that the Corporation had carried out on its behalf and that of a partner and for which expenses are shared with said partner, the Corporation filed a claim against its partner on November 23, 2012, for additional costs incurred or to be incurred by the Corporation and resulting from said partner's decisions. At present, management considers it impossible to estimate the financial impact of this claim.

11 CONTINGENT LIABILITIES RELATED TO TANGIBLE CAPITAL ASSETS

- 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. This permit, whose term is listed as "during pleasure," contains a termination clause under which either the owner or the Corporation may, by written notification to the other, terminate the permit at any time. The permit provides that, upon cancellation, the Corporation must, at its own expense, immediately remove its facilities from the lands and properties of the owner, failing which the owner may, at its option, either remove the facilities and return the property to a good condition at the Corporation's expense, or keep the facilities with no compensation to the Corporation. As of March 31, 2016, neither the owner of the lands nor the Corporation has indicated their intention to terminate the permit. As the date of eventual termination of the permit cannot be determined, no contingent liability related to this capital asset has been recognized for the current fiscal year.
- B)** The Corporation holds structures erected on land whose owner has transferred the management and administration thereof to the Government of Canada. The legal transfer documents provide that, in the event of a change in the use of these structures in relation to the use that was made thereof at the time of the transfer, the owner will regain control of this land, 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 these structures. Therefore, no liability related to these capital assets has been recognized in the Financial Statements.

12 CONTRACTUAL COMMITMENTS

A) OPERATING SERVICES

The minimum amount payable for police services amounts to approximately \$3,920,238 per fiscal year (\$3,865,896 as of March 31, 2015). The current contract ends on June 30, 2017, and is renewable at maturity unless otherwise notified by either party.

B) SUPPLIERS

The Corporation has committed, primarily under major repairs, procurement, and professional services, to paying \$238,228,000 in the upcoming years (\$164,564,000 by 2019, in 2015). The minimum payments over the next fiscal years are the following:

2017	\$202,334,000
2018	\$20,308,000
2019	\$7,357,000
2020 and beyond	\$8,229,000

C) LEASES

The Corporation has committed, under leases for the rental of offices and equipment, to paying \$5,308,993 by the 2021-2022 fiscal year (\$1,988,218 by 2020 in 2015). The minimum payments over the next fiscal years are the following:

2017	\$1,173,072
2018	\$1,154,120
2019	\$967,974
2020	\$891,033
2021 and beyond	\$1,122,794

13 RELATED PARTY TRANSACTIONS

The Corporation is related, through common ownership, to all agencies and Crown corporations of the Government of Canada. The Corporation enters into transactions with these entities in the normal course of its operations. These transactions are measured at fair value.

During the fiscal year, one transaction not part of the normal course of the Corporation's operations was conducted with a related party.

On April 1, 2015, the Corporation transferred part of its assets. The transferred assets are the ones identified as per Order in Council 2015-0217 issued on February 19, 2015. The transferred assets comprise all structures of Highway 15 as well as part of the lands and structures of the Champlain Bridge. This transfer was made without compensation for the benefit of the Queen's Privy Council for Canada.

The net value of the transferred assets represents \$30,690,408. An equivalent loss was recorded in the Statement of Operations for this fiscal year.

14 EXPENSES BY TYPE

	2016	2015
	\$	\$
Regular and Major Maintenance	128,960,466	109,281,950
Environmental Obligations	12,913,231	(4,443,210)
Amortization of Tangible Capital Assets	28,926,167	22,840,489
Salaries and Employee Benefits	16,068,317	14,356,085
Professional Services	8,639,042	6,763,812
Goods and Services	4,751,041	4,874,518
Loss on Disposal of Assets	30,690,408	-
Total expenses	230,948,672	153,673,644

15 FINANCIAL INSTRUMENTS

A) FAIR VALUE

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

B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is subject to credit risk on cash and accounts receivable. The Corporation manages this risk by dealing mainly with the government and by closely monitoring credit insurance and collection of commercial clients. In general, 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 the Corporation only deals with well-known financial institutions that are members of the Canadian Payments Association.

The credit risk associated with accounts receivable is minimal, since a large portion of the accounts receivable is owed by the Government of Canada. As of March 31, 2016, the amounts owed by the Government of Canada and the Government of Quebec represented 64% of the total amount owed (76.6% in 2015) and the other accounts receivable showed no outstanding balance (none in 2015).

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

C) 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 regular monitoring. 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:

	2016 \$	2015 \$
LESS THAN 90 DAYS		
Accounts payable and accrued liabilities	84,257,787	75,052,145
Contractual holdbacks	4,032,569	3,698,487
Subtotal	88,290,356	78,750,632
90 DAYS TO ONE YEAR		
Contractual holdbacks	7,464,661	5,431,725
MORE THAN ONE YEAR		
Contractual holdbacks	1,313,338	2,152,532
Total	97,068,355	86,334,889

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

D) MARKET RISK

Market risk is the risk that there is an impact on the results following a change in the market conditions, for example, a fluctuation in foreign currency exchange rate and in interest rates. The Corporation is subject to interest rate risk on its liquidities. 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 fiscal year, the interest revenue on cash would have varied by approximately \$687,710 (\$405,818 in 2015).

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

The Corporation is not subject to currency risk, as it does not make any foreign currency transactions.



APPENDIX A

COMMITTEES OF THE BOARD OF DIRECTORS

DIRECTORS

Dominique Bouchard
Glen P. Carlin
Denise Hébert
Paul T. Kefalas
Serge Martel
Guy Martin

OFFICERS

Paul T. Kefalas, Chairman
Serge Martel, Vice Chair
John Papagiannis, Acting Corporate Secretary
Glen P. Carlin, Chief Executive Officer
Sylvie Lefebvre, Legal Counsel
Claude Lachance, Treasurer

AUDIT COMMITTEE

Denise Hébert, Chair
Serge Martel
Guy Martin

GOVERNANCE COMMITTEE

Paul T. Kefalas, Chair
Denise Hébert
Serge Martel
Guy Martin

HUMAN RESOURCES COMMITTEE

Denise Hébert, Chair
Serge Martel
Guy Martin

RISK COMMITTEE – STRUCTURES

Guy Martin, Chair
Denise Hébert
Serge Martel

RISK COMMITTEE – CHAMPLAIN PROJECTS

Serge Martel, Chair
Denise Hébert
Guy Martin
Paul T. Kefalas, Observer

IT AND CHANGE MANAGEMENT COMMITTEE

Serge Martel, Chair
Paul T. Kefalas, Observer

EXPERT COMMITTEE – CHAMPLAIN BRIDGE

Serge Martel, Chair
Guy Martin
Denise Hébert, Observer
Paul T. Kefalas, Observer

APPENDIX B

LIST OF ABBREVIATIONS

- CII** Centre for Infrastructure Innovation
- NCBC** New Champlain Bridge Corridor
- INFC** Infrastructure Canada
- FAA** *Financial Administration Act*
- MTMDET** Ministère des Transports, de la Mobilité durable et de l'Électrification des transports du Québec
- CPSAS** Canada public Sector Accounting Standards
- JCCBI** The Jacques Cartier and Champlain Bridges Incorporated