



QUARTERLY FINANCIAL REPORT

1st QUARTER (Q1)

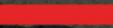
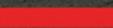
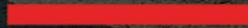
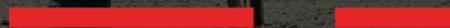
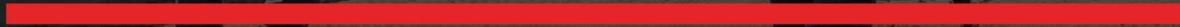
For three months ended June 30, 2020

TABLE OF CONTENTS

1. STATUS	4
1.1 MANDATE	4
1.2 MISSION, VISION AND VALUES	4
2. Q1 OF 2020-2021 IN REVIEW	6
2.1 SUMMARY	6
2.2 OUTLOOK	6
2.3 IMPORTANT CHANGES	7
3. ANALYSIS OF FINANCIAL RESULTS	9
3.1 RESULTS OF OPERATIONS	9
3.2 CASH FLOW	10
3.3 STRATEGIC ISSUES AND RISKS	10
3.4 REPORT ON THE USE OF APPROPRIATIONS	15
4. JCCBI'S 2020-2021 UNAUDITED INTERIM FINANCIAL STATEMENTS	17
4.1 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION	17
4.2 STATEMENT OF FINANCIAL POSITION	18
4.3 STATEMENT OF OPERATIONS FOR THE THREE (3) MONTHS ENDED JUNE 30, 2020	19
4.4 STATEMENT OF CHANGE IN NET DEBT FOR THE THREE (3) MONTHS ENDED JUNE 30, 2020	20
4.5 STATEMENT OF CASH FLOW FOR THE THREE (3) MONTHS ENDED JUNE 30, 2020	21
4.6 NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS	22



+ SECTION 1
STATUS



1. STATUS

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

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

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

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

1.1 MANDATE

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

For each of these infrastructures, JCCBI assumes responsibility for:

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

1.2 MISSION, VISION AND VALUES

Our Mission

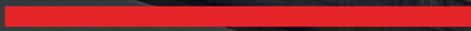
Ensure the mobility of users, the safety and the longevity of infrastructure using a systemic management approach based on sustainable development.

Our Vision

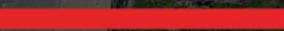
Become a leader in major infrastructure management as an innovative expert, a mobility leader and a social and urban contributor.

Our Values

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



+ SECTION 2
Q1 OF 2020-2021 IN REVIEW



2. Q1 OF 2020-2021 IN REVIEW

This quarterly financial report has been prepared in accordance with the requirements of the FAA and with the Standard on Quarterly Financial Reports for Crown Corporations issued by the Treasury Board of Canada Secretariat. It provides an assessment of JCCBI's operations and financial position for the quarter ended June 30, 2020 (Q1). It must be read in conjunction with the unaudited Interim Financial Statements and accompanying notes contained in this document, as well as with the audited Annual Financial Statements and supporting notes contained in JCCBI's annual report.

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

2.1 SUMMARY

JCCBI declares a deficit of \$2.5 M for the three (3) months ended June 30, 2020 (surplus of \$0.7 M in 2019). The deficit before public funding is \$35.5 M as at June 30, 2020 (\$38.1 M in 2019).

For the current fiscal year, the combined total revenue amounts to \$0.2 M (\$0.4 M in 2019). Revenue remained stable overall.

During the same period, the net debt increased by \$0.1 M for a total of \$33.2 M. Financial assets increased by \$16.0 M. The change is related to the terms of payment of the contract for the deconstruction of the original Champlain Bridge.

The acquisitions of gross capital assets in the first quarter of the current fiscal year totalled \$5.3 M (\$11.7 M in 2019). They mainly consist of expenses of \$3.5 M for the Jacques Cartier Bridge, \$1.1 M for the Honoré Mercier Bridge and \$0.4 M for the Melocheville Tunnel.

2.2 OUTLOOK

The expenses to maintain the bridges and related infrastructures remain high. Despite the commissioning of the new Samuel De Champlain Bridge, structural monitoring interventions (including inspections and monitoring) on the original Champlain Bridge are required to ensure the safety and structural integrity thereof. Responsibility for the bridge structural integrity will soon be transferred to the deconstruction contractor according to the contractual terms and conditions.

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

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

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

All business cases have been finalized according to schedule and have been submitted to Infrastructure Canada.



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

2.3 IMPORTANT CHANGES

The first quarter of the year 2020-2021 took place in the midst of the global pandemic caused by COVID-19. JCCBI has put in place the measures to respond to the requests and instructions issued by the governments. Indeed, following the decree adopted by the Quebec government, which led to the suspension of all workplace activities since March 25, 2020, almost all of JCCBI's employees work remotely, with the exception of the Operations and Maintenance team, which ensured that critical infrastructures remained in good working order. During this period of isolation, JCCBI's staff continued to make every effort to maintain the timelines related to the preparation of the drawings, specifications and studies and to carry out the administrative tasks that can be performed in telework mode.

In this context, JCCBI's management team monitors developments on a daily basis and is on the lookout for the various issues that may arise for its staff members. This global pandemic has forced JCCBI to face many adjustments and to adapt its activities and programs as follows:

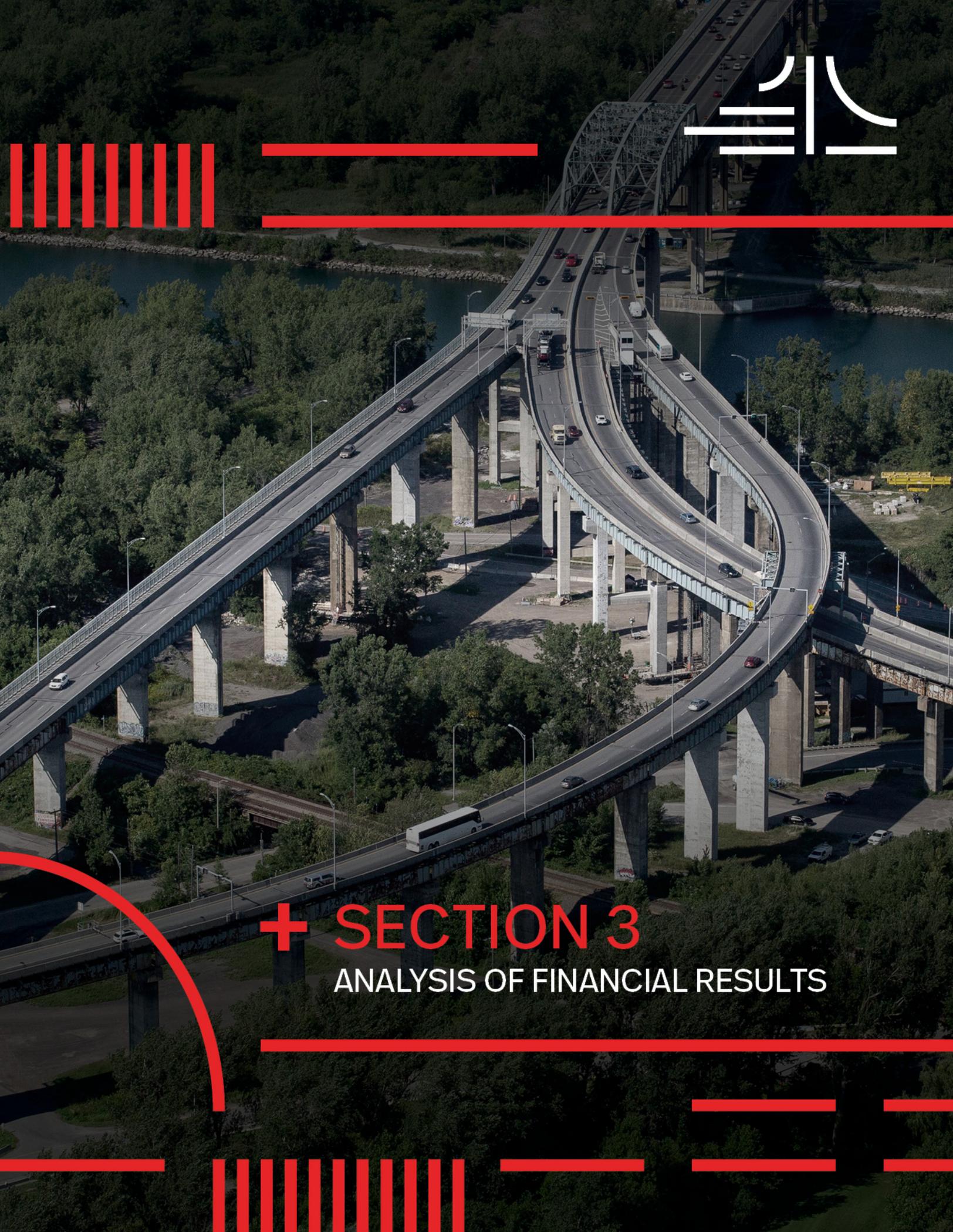
- + Working conditions have been revised;
- + A program for managing work attendance and processing absences has been developed and communicated to all employees;
- + A prevention program has been put in place to deal with the situation where an employee would test positive for COVID-19 or show symptoms thereof;
- + An action plan was developed following an employee survey and regular communications are carried out to address employees' concerns.

The closure of JCCBI's offices last March also had a significant impact on the Information Technology (IT) Division. Indeed, the IT support team saw to the addition of the remote accesses required to ensure the continuity of operations in telework mode. The team also produced several procedures as well as training to facilitate the transition to the massive telework mode. A daily monitoring system was also set up to ensure that JCCBI's cloud computing and internal technologies are fully operational and secure.

The reopening of construction sites in May 2020 as well as the prescription of health measures to be put in place in the context of the COVID-19 pandemic have led to discussions on the impacts on construction contracts, more specifically on the contract for the deconstruction of the original Champlain Bridge.

These discussions led to an agreement, which was signed on June 29, 2020, covering the payment of the new health measures required and a lump sum compensation for the impacts on the Contractor's operations and the impacts on the schedule associated with the pandemic. The deconstruction work schedule, initially planned over a 36-month period, has been extended to 43 months.

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



+ SECTION 3
ANALYSIS OF FINANCIAL RESULTS

3. ANALYSIS OF FINANCIAL RESULTS

3.1 RESULTS OF OPERATIONS

3.1.1 Statement of Financial Position

Financial Assets

During the three (3) months ended June 30, 2020, the total financial assets increased by \$16.0 M, to amount to \$51.4 M, compared to \$35.3 M as at March 31, 2020. A determining factor in the variation in financial assets is the date on which the federal appropriations, which include the funding for the capital projects and the operating expenses, are received. In addition, an amount of \$10.4 M is related to the terms of payment under the contract for the deconstruction of the original Champlain Bridge.

Liability

Accounts payable and accrued liabilities increased by \$16.2 M, from \$29.0 M as at March 31, 2020 to \$45.2 M as at June 30, 2020. This increase is largely due to the variation of activities of the various ongoing construction projects.

To carry out its major projects, JCCBI entered into construction contracts that provide for the withholding of a portion of the payment until certain work is completed in compliance with the performance requirements and the contractual warranties have expired. These contractual holdbacks have decreased by \$0.3 M, to amount to \$3.9 M as at June 30, 2020 (\$4.2 M as at March 31, 2020). These amounts will become payable when the work is completed and the warranties have expired.

Non-Financial Assets

The tangible capital assets net of amortization decreased by \$2.2 M to total \$604.2 M relative to the March 31, 2020 Financial Statements (\$606.4 M). This total includes \$5.3 M of purchases of gross capital assets, less the charges for amortization of \$7.6 M. The major works concerned by these acquisitions are those of the Jacques Cartier Bridge (\$3.5 M), the Honoré Mercier Bridge (\$1.1 M) and the Melocheville Tunnel (\$0.4 M).

Government Funding

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

(In thousands of dollars)	First Quarter	
	2020-2021	2019-2020
Public funding for operating expenses	27,720	27,073
Public funding for tangible capital assets	5,296	11,748
TOTAL	33,016	38,821

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

3.1.2 Expenses

Maintenance

Maintenance expenses during the first quarter represent 84.1% (84.3% as at June 30, 2019) of the total cumulative expenses.

For the three (3) months ended June 30, 2020, the maintenance expenses, including amortization, totalled \$30.0 M and are mainly distributed as follows:

- + \$13.5 M for work for the Jacques Cartier Bridge;
- + \$3.8 M for work for the Champlain Bridge;
- + \$3.2 M for work for the Honoré Mercier Bridge;
- + \$2.1 M for work for the Île des Sœurs Bypass Bridge;
- + \$1.6 M for work for the Bonaventure Expressway;
- + \$0.5 M for work for the Champlain Bridge Estacade;
- + \$0.2 M for work for the Melocheville Tunnel;
- + \$4.1 M for salaries and employee benefits;
- + \$1.0 M for various other projects and equipment.

Operations

Operating expenses during the first three (3) months totalled \$1.0 M (\$0.7 M as at June 30, 2019). These figures represent 2.7% of total expenses (1.9% as at June 30, 2019).

Administration

The administrative expenses of the first three (3) months total \$4.4 M and remained stable compared to the same period of the previous fiscal year (\$4.4 M as at June 30, 2019). During the first quarter, administrative expenses represented 10.7% (8.8% as at June 30, 2019) of total expenses (including capital asset acquisitions). This rate varies, notably in relation to the major maintenance expenditures. The Corporation's objective is not to exceed 6%.

3.2 CASH FLOW

JCCBI's cash position increased by \$5.9 M to amount to \$39.4 M as at June 30, 2020 (\$33.5 M as at March 31, 2020) and is closely linked to the payments of the federal parliamentary appropriations. As at June 30, 2020, the net amount receivable from government departments and agencies amounted to \$1.3 M (\$1.2 M as at March 31, 2020).

3.3 STRATEGIC ISSUES AND RISKS

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

3.3.1 Asset Management

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

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

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

JCCBI is proud of this important achievement, which ensures the optimization of investments as well as risk management. The year 2020-2021 will be marked by several other initiatives to ensure the deployment of the asset management philosophy.

Following the adoption of an internal asset management policy in early 2020, a training and broad dissemination plan is underway. Subsequent to this dissemination, a comparative positioning analysis will be carried out and an asset management action plan, in which the use, integrity and availability of data will play a central role, will be developed.

3.3.2 Major Projects

Jacques Cartier Bridge

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

- + Considering the demand to keep the bike path operational during the winter, the preliminary project study regarding the safety measures to be put in place to safely respond to this demand continued. The Corporation has retained the services of a consultant to document and analyze a pilot project for the winter maintenance of the bike path through conventional methods. During the winter of 2019-2020, the Corporation carried out a project to simulate the winter operation of the bike path, in closed circuit with a group of twenty-five (25) control cyclists and three (3) partner cyclists. The conclusions were presented to JCCBI during the first quarter of 2020-2021 and are currently under analysis;
- + The contract for the construction of the fibre optic loop was awarded in the fall of 2018 and, at the end of fiscal year 2019-2020, most of the work had been completed. Some work had to be postponed and will be completed in the second quarter of fiscal year 2020-2021;
- + During the first quarter, JCCBI issued a new call for tenders for a contract to upgrade the counting systems;
- + The call for tenders for the contract to enhance the lands under the Jacques Cartier Bridge was completed during the first quarter. Consequently, a portion of the work will have to be postponed until 2021;
- + Given the halt in construction due to the pandemic, unfavourable weather conditions and a prioritization of the major traffic hindrances with our partners, only 50% of the paving work on the Jacques Cartier Bridge deck was completed during the first quarter. This situation will result in a delay in one of the steel contracts currently in progress on section 7 of the bridge;
- + The project to rehabilitate the steel components and paint the splash zone and underside of the deck of section 7 of the bridge will continue in 2020-2021 between Piers 25 and 26. A second contract was awarded during the third quarter of 2019-2020 for the rehabilitation of the steel components and painting in the area located between Piers 23 and 24. Although the pandemic delayed the resumption of the construction work already underway, the preparation of the tender documents and the calls for tenders progressed as planned for the subsequent under-deck work package between Piers 23 and 24;
- + The second project to rehabilitate and paint the steel in section 7 had been postponed due to an issue related to the ground anchors and to the installation of working platforms. Analyses were carried out and mitigation measures proposed to address this issue. The project began in the first quarter of 2020-2021;

- + A preliminary project study on the increase in the service offer to active transportation users is currently underway. The objective of this study is to allow safe passage for cyclists and pedestrians throughout the year, to reduce the risk of accidents and to improve user-friendliness and safety, all within an approach based on a global vision of the network and sustainable development;
- + A detailed preliminary project study report and a complementary study to further develop the seismic component to ensure the sustainability of the Île Sainte-Hélène pavilion were submitted during the third quarter of 2019-2020. In view of the preliminary conclusions of the seismic analysis and of the costs related thereto, the seismic component will be included in another overall seismic reinforcement project. This project is scheduled to begin in the second quarter of 2020-2021;
- + The call for tenders for the contract for the construction of the new building and for the adjacent new layout, yard for the Operations and Maintenance department was completed in the first quarter of 2020-2021. The mobilization of the Contractor as well as the beginning of the work are scheduled for the second quarter of 2020-2021.

Champlain Bridge and Estacade

The first quarter of 2020-2021 was marked by the commencement of the construction activities on the site of the work related to the deconstruction of the original Champlain Bridge. The announcement of the successful tenderer for the design-build contract, *Nouvel Horizon St-Laurent G.P.*, was published in March 2020. Following this announcement, the authorized preliminary work began.

The first on-site deconstruction activities will take place on the side of Île des Sœurs. These activities, aimed at deconstructing the section of the bridge located between Abutment 44W and Pier 42W, will be carried out in the second quarter of 2020-2021 as planned.

With regard to the Champlain Bridge Estacade, the Corporation has completed the inspections and proceeded with the securing of the bearings deemed critical, in order to ensure the proper performance of the structure, which will be used to transport materials during the deconstruction of the original Champlain Bridge.

Bonaventure Expressway

Work to maintain the Bonaventure Expressway continues. Two (2) calls for tenders were issued in April 2020 and closed in June 2020 for the work to be carried out over the next two (2) years, namely milling-paving and box girder repair. The tenders are currently under evaluation.

An amendment to the preliminary project to reconfigure sections 11 and 12 of the Bonaventure Expressway into an urban boulevard was approved in May 2020. Among other things, this amendment will make it possible to carry out all the activities required for the preliminary project studies related to the optimization of the hydrocarbon containment system, in keeping with JCCBI's commitments with respect to the objectives of the Federal Contaminated Sites Action Plan (FCSAP). It should be noted that the studies regarding the optimization of the containment system led to a seven-month extension of the preliminary project schedule, delaying the scheduled start date of the future project by one (1) year, namely from April 2022 to April 2023.

Honoré Mercier Bridge

The major rehabilitation program to repair the piers and replace the paint coating, which was optimized during the last quarters of fiscal year 2019-2020, continued during the first quarter of 2020-2021. Although the pandemic delayed the resumption of the construction work already underway, the preparation of the tender documents and the calls for tenders progressed as planned for the subsequent work packages.

In order to complete the preliminary project studies for the connection of the bridge's multifunctional path to the municipal network, the validation of the bank stability and the development of a memorial circuit, field investigations are necessary. The initial timelines have been adjusted to take into account the necessary coordination activities with local authorities. Said timelines need to be adjusted again, as pandemic-related restrictions on the territory

have a direct impact on the planning of investigations. Based on the developments, the timelines will be confirmed in the second quarter of 2020-2021.

3.3.3 Environment and Sustainable Development

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

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

The West Sector containment and treatment system is the subject of a partnership with the Quebec government (*ministère de l'Environnement et de la Lutte contre les changements climatiques*). JCCBI is in the process of transferring the knowledge to an external firm that will provide JCCBI, over the next three (3) years, with the necessary technical support to ensure the continuous operation of this complex system consisting of a 32-capture well hydraulic barrier and a treatment plant.

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

- + The Corporation is in the process of developing a comprehensive characterization plan for its lands which, once completed, will make it possible to establish with greater precision all the actions required for the remediation and control of the contaminants during the execution of the projects and thus reduce the risks related to these issues;
- + The internal communication on the future alignment of the internal sustainable development approach with the *Federal Sustainable Development Act* (FSDA) and underlying strategy thereof was completed. JCCBI is in the process of preparing, on a voluntary basis, its new sustainable development strategy under the FSDA, which will be filed to the relevant authorities in October 2020;
- + The recent signature of the contract for the deconstruction of the original Champlain Bridge opens the door to the various programs developed as part of this project. The material traceability programs, the carbon neutrality of the project, the in-situ and ex-situ research projects, the planning for the development of the assets along the river through consultation and co-design activities with the public, as well as the steps towards external recognition of leadership in sustainable development will be carried out in parallel with the deconstruction work under this ambitious project.

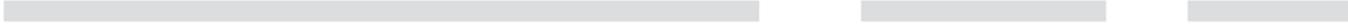
3.3.4 Occupational Health and Safety (OHS)

The OHS department continues to update the Corporation's OHS management program. This program is evolving and now covers the management of the local OHS Committee as well as that of the respiratory protection. In addition, safe work procedures have been developed to assess and manage the risks present in the work environment, notably those related to heat stress. This entire process is carried out in collaboration with the local OHS Committee and with the departments concerned in order to reflect the vision of the Corporation's OHS reality.

3.3.5 Sustainable Funding

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

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



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

3.3.6 Human Resources Management

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

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

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

JCCBI has also initiated the development of its Employer brand. The development and deployment of the action plan made it possible to consolidate expectations and launch the project, which is scheduled to be carried out over a period of three (3) years.

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

3.3.7 Information Technologies (IT)

As part of its IT risk management, JCCBI awarded a contract for business continuity, which comprises the following three (3) phases:

- 1- Management Structure and Framework;
- 2- Business Impact Analysis (BIA);
- 3- Business Continuity Strategy.

Phase 1 allowed for the development of both a management framework and the procedures related to business continuity. This guide is used to support the Business Continuity Committee in its role of maintaining continuity plans, raising the awareness of stakeholders and training employees on business continuity requirements. The IT division will provide the link between senior management’s strategic component and each division’s operational component.

Phase 2 consisted in updating the BIA by reassessing the critical functions. Phase 2 made it possible to identify the key functions, the applications and the computer programs that are critical to operations. This phase also made it possible to identify additional elements that are critical to the Corporation’s operations and that will become the reference base that will support JCCBI’s divisions in the development of their business continuity strategy for Phase 3.

As part of the proactive component of risk management, JCCBI has acquired a new IT security awareness tool. A generalized phishing test was conducted with employees and other intrusion tests will be carried out during the third quarter of 2020-2021.

In addition, a strategy to improve the security posture will be prepared for deployment in the fall of 2020.

The reactive component of risk management continued with the documentation of the major incident process, including communication templates to ensure successful management of IT incidents while decreasing dependence on key resources.



3.4 REPORT ON THE USE OF APPROPRIATIONS

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

(In thousands of dollars)	As at June 30, 2020			As at June 30, 2019		
	Operations	Capital	Total	Operations	Capital	Total
Main Estimates	278,758	48,862	327,620	250,507	72,181	322,688
Available Funding	278,758	48,862	327,620	250,507	72,181	322,688
Parliamentary Appropriations ⁽¹⁾						
+ Used	27,720	5,296	33,016	27,073	11,748	38,821
+ Required	251,038	43,566	294,604	223,434	60,433	283,867
Total Parliamentary Appropriations	278,758	48,862	327,620	250,507	72,181	322,688

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



+ SECTION 4

JCCBI'S 2020-2021 UNAUDITED
INTERIM FINANCIAL STATEMENTS

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

For the three (3) months ended June 30, 2020, JCCBI's unaudited Interim Financial Statements have been prepared by management, reviewed by the Audit Committee and approved by JCCBI's Board of Directors. JCCBI's external auditors have not audited or reviewed these unaudited Interim Financial Statements.

4.1 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

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

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

The Board of Directors is made up of six (6) Directors and the Chief Executive Officer of the Corporation. The Board, through the Audit Committee, ensures that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee meets with management and the auditors to review the manner in which these groups are fulfilling their responsibilities as well as to discuss the audit, internal controls and other relevant financial issues. The Financial Statements are reviewed and approved by the Board of Directors on the recommendation of the Audit Committee.

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



Sandra Martel, Eng.
Chief Executive Officer



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

August 28, 2020

4.2 STATEMENT OF FINANCIAL POSITION

(Unaudited – in Canadian Dollars)

	June 30, 2020	March 31, 2020
	\$	\$
Financial Assets		
Cash	39,370,832	33,506,048
Accounts receivable (Note 4.6.3)	11,995,546	1,841,819
Total Financial Assets	51,366,378	35,347,867
Liabilities		
Accounts payable and accrued liabilities (Note 4.6.4)	45,238,772	29,003,524
Employee future benefits	569,262	530,545
Contractual holdbacks (Note 4.6.5)	3,920,770	4,214,047
Deferred revenue	213,503	229,907
Environmental obligations (Note 4.6.6)	34,576,000	34,396,000
Total Liabilities	84,518,307	68,374,023
Net Debt	(33,151,929)	(33,026,156)
Non-Financial Assets		
Tangible capital assets (Note 4.6.7)	604,182,665	606,449,339
Prepaid expenses	972,940	1,065,886
Total Non-Financial Assets	605,155,605	607,515,225
Accumulated Surplus	572,003,676	574,489,069

CONTINGENCIES, DECONSTRUCTION OF THE ORIGINAL CHAMPLAIN BRIDGE

(Notes 4.6.9 and 4.7)

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

Approved by the Board of Directors



Director



Director

4.3 STATEMENT OF OPERATIONS FOR THE THREE (3) MONTHS ENDED JUNE 30, 2020

(Unaudited – in Canadian Dollars)

	Twelve Months Ended	Three (3) Months Ended	
	March 31, 2021	June 30, 2020	June 30, 2019
	Budget	Actual Quarter	Actual Quarter
	\$	\$	\$
Revenue			
Leases and permits	597,000	123,760	148,881
Interest	793,000	124,487	196,003
Other sources	---	433	14,510
Total Revenue	1,390,000	248,680	359,394
Expenses (Note 4.6.11)			
Maintenance	273,669,000	30,066,687	32,460,570
Operations	4,554,000	952,227	748,407
Administration	17,879,000	4,396,063	4,406,947
Environmental obligations	(1,585,000)	335,345	875,931
Total Expenses	294,517,000	35,750,322	38,491,855
Deficit before Government of Canada funding	(293,127,000)	(35,501,642)	(38,132,461)
Portion of parliamentary appropriations for operating expenses (Note 4.6.12)	278,758,000	27,720,091	27,073,303
Portion of parliamentary appropriations for tangible capital assets (Note 4.6.12)	48,862,000	5,296,158	11,747,885
Operating (Deficit) Surplus	34,493,000	(2,485,393)	688,727
Accumulated Operating Surplus, Beginning of the Year	604,451,000	574,489,069	565,896,680
Accumulated Operating Surplus, End of the Year	638,944,000	572,003,676	566,585,407

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

4.4 STATEMENT OF CHANGE IN NET DEBT FOR THE THREE (3) MONTHS ENDED JUNE 30, 2020

(Unaudited – in Canadian Dollars)

	Twelve Months Ended	Three (3) Months Ended	
	March 31, 2021	June 30, 2020	June 30, 2019
	Budget	Actual Quarter	Actual Quarter
	\$	\$	\$
Annual Operating (Deficit) Surplus	34,493,000	(2,485,393)	688,727
Acquisition of tangible capital assets (Note 4.6.7)	(62,776,000)	(5,296,158)	(11,747,885)
Amortization of tangible capital assets (Note 4.6.7)	29,868,000	7,562,832	10,687,385
Total Variation Due to Total Tangible Capital Assets	(32,908,000)	2,266,674	(1,060,500)
Acquisition of prepaid expenses	---	(287,597)	(325,670)
Use of prepaid expenses	---	380,543	329,214
Total Variation Due to Prepaid Expenses	---	92,946	3,544
(Increase) Decrease in Net Debt	1,585,000	(125,773)	(368,229)
Net Debt, Beginning of the Year	(22,822,000)	(33,026,156)	(24,910,855)
Net Debt, End of the Year	(21,237,000)	(33,151,929)	(25,279,084)

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

4.5 STATEMENT OF CASH FLOW FOR THE THREE (3) MONTHS ENDED JUNE 30, 2020

(Unaudited – in Canadian Dollars)

	Three (3) Months Ended	
	June 30, 2020	June 30, 2019
	Actual Quarter	Actual Quarter
	\$	\$
Operating Transactions		
Annual Operating (Deficit) Surplus	(2,485,393)	688,727
Non-cash items		
Amortization of tangible capital assets (Note 4.6.7)	7,562,832	10,687,385
Changes in environmental obligations	320,000	696,000
Changes in other items		
Increase in accounts receivable	(10,153,727)	(3,220,496)
Increase (decrease) in accounts payable and accrued liabilities	14,225,590	(3,130,177)
Increase in employee future benefits	38,717	6,773
Decrease in contractual holdbacks	(293,277)	(1,374,369)
Decrease in deferred revenue	(16,404)	(20,977)
Decrease in prepaid expenses	92,946	3,544
Decrease in environmental obligations	(140,000)	(331,000)
Cash Flow Provided by Operating Transactions	9,151,284	4,005,410
Tangible Capital Asset Investment Activities		
Cash used to acquire tangible capital assets	(3,286,500)	(13,541,680)
Cash flow used for capital transactions	(3,286,500)	(13,541,680)
Increase (Decrease) in Cash	5,864,784	(9,536,270)
Cash, Beginning of the Year	33,506,048	47,832,852
Cash, End of the Year	39,370,832	38,296,582

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

4.6. NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

4.6.1 Authority and Activity

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

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

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

The Corporation is not subject to income tax legislation.

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

4.6.2 Significant Accounting Policies

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

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

Government Transfers

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

Tangible Capital Assets

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

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

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

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

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

When the conditions indicate that a tangible capital asset no longer contributes to the ability of the Corporation to provide services, or that the value of future economic benefits associated with the tangible capital asset is less than its net carrying value, the cost of the tangible capital asset is reduced to reflect the impairment. Net write-downs on tangible capital assets are recorded as expenses in the Statement of Operations.

Revenue Recognition

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

Employee Future Benefits

- **Pension Plan:** All employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"). This is a contributory-defined benefit plan established by law and sponsored by the Government of Canada. Employees and the Corporation must contribute to the Plan to cover the cost of services rendered during the fiscal year. Under current legislation, the Corporation has no legal or constructive obligation to pay additional contributions to cover past services or to fund deficiencies of the Plan. Consequently, contributions are charged to expenses in the fiscal year during which the employees render the services and these contributions represent the total pension obligation of the Corporation. The Corporation is not required by law to make up for the actuarial deficiencies of the Plan.
- **Post-Employment Benefits and Compensated Absences:** Employees are entitled to days of sick leave and compensation for work injuries, as provided for under their conditions of employment. Employees of the Corporation are subject to the *Government Employees Compensation Act*. Every year, they are paid the unused portion of their days of sick leave. These annual payments are recognized directly in current costs for the fiscal year. Before December 9, 2016, unionized employees accumulated their unused days of sick leave, which were redeemable at the end of their employment with the Corporation. Following the renewal of their collective agreement in December 2016, unionized workers can no longer accumulate unused sick leave days and redeem them at the time of their departure. Employees with a banked leave balance were offered either to keep the balance until they leave or redeem the balance. Moreover, the Corporation recognizes the cost of compensation for work injuries payable at the time the event obligating the Corporation occurs. The liability that these benefits represent is determined based on management's best assumptions in terms of salary increases, age of employees, years of service, the probability of employees leaving, and average life expectancy. These assumptions are reviewed annually. Post-employment benefits and compensated absences are recognized at present value.

Environmental Obligations

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

Financial Instruments

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

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

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

Contingencies

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

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

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

Measurement Uncertainty

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

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

Budgetary Data

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

4.6.3 Accounts Receivable

The Corporation's accounts receivable consist of the following:

	June 30, 2020	March 31, 2020
	\$	\$
Due from the Government of Canada	---	402,327
Taxes receivable	1,302,174	844,759
Re-invoicing of work to business partners	134,727	88,396
Other accounts receivable	199,166	506,337
Contract advance	10,359,479	---
Total Accounts Receivable	11,995,546	1,841,819

4.6.4 Accounts Payable and Accrued Liabilities

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

	June 30, 2020	March 31, 2020
	\$	\$
Suppliers and accrued liabilities	32,866,094	27,501,335
Salaries and employee benefits	2,214,029	1,502,189
Due to the Government of Canada	10,158,649	---
Total Accounts Payable and Accrued Liabilities	45,238,772	29,003,524

4.6.5 Contractual Holdbacks

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

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

4.6.6 Environmental Obligations

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

JCCBI has identified a total of sixteen (16) sites (sixteen (16) as at March 31, 2020) that may be contaminated and require assessment, remediation or a risk management strategy, and monitoring. Among these sixteen (16) sites, four (4) have been assessed for which remediation measures or risk management strategies are in place or planned, and for which a liability of \$34,576,000 (\$34,396,000 as at March 31, 2020) has been recognized.

No liability has been recognized for the other twelve (12) sites. Some of these twelve (12) sites are in various stages of testing and assessment and if either remediation or a risk management strategy is required, a liability will be recognized as soon as a reasonable estimate can be determined. With respect to the other sites, JCCBI does not expect to forego future economic benefits due to the likely absence of environmental impacts or significant threat to human health.

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

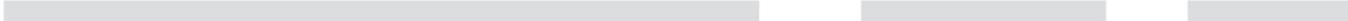
- The discount rates are determined based on the actual zero-coupon yield curve for Government of Canada bond market issued by the Bank of Canada. The discount rate ranges from 0.26% to 0.84% (March 31, 2020 – 0.37% to 1.14%).
- The inflation rate of 3.01% (March 31, 2020 – 3.07%) is based on the non-residential building construction price index.

Sectors	June 30, 2020 (\$)		March 31, 2020 (\$)	
	Undiscounted Liability to which the Inflation Rate was Applied	Discounted Liability to which the Inflation Rate was Applied	Undiscounted Liability to which the Inflation Rate was Applied	Discounted Liability to which the Inflation Rate was Applied
Bonaventure Expressway: East Sector ⁽¹⁾	21,592,000	20,503,000	21,718,000	20,189,000
Bonaventure Expressway: West Sector ⁽¹⁾	7,837,000	7,506,000	8,150,000	7,653,000
Jacques Cartier Bridge ⁽²⁾	2,767,000	2,756,000	2,769,000	2,752,000
Original Champlain Bridge ⁽³⁾	3,832,000	3,811,000	3,836,000	3,802,000
Total	36,028,000	34,576,000	36,473,000	34,396,000

⁽¹⁾ East and West Sectors of the Bonaventure Expressway

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

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



The obligations of the East and West Sectors represent management's best estimate of the expected expenses for the containment and pumping operations and are based on the costs of the contracts already awarded. The duration of the operations included in the obligations related to the East and West Sectors is estimated at fifteen (15) years. The duration of the operations will extend beyond this period, but it is impossible, at this time, to determine the costs beyond fifteen (15) years. There is no residual value to the projects.

(2) Lands under the Jacques Cartier Bridge

With respect to the lands under the Jacques Cartier Bridge, the Corporation is conducting characterization studies to classify the contaminated sites and determine whether the Corporation needs to remediate the lands or adopt a risk management strategy to limit the contamination. For a section of these lands, a study confirmed the presence of residual materials and soils contaminated with polycyclic aromatic hydrocarbons (PAHs) and metals whose level exceeds the acceptable environmental standards. The lands were contaminated as a result of past commercial and industrial operations. The obligation represents management's best estimate of the expected costs of carrying out the work required to manage drainage water from the Jacques Cartier Bridge and is based on the information available at the date of the Interim Financial Statements. The Corporation plans to begin carrying out certain decontamination work during the summer of 2020. Said work will extend over a period of approximately two (2) years.

(3) Lands under the Original Champlain Bridge

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



4.6.7 Tangible Capital Assets (Unaudited – in Canadian Dollars)

	Lands	Bridges and Roads	Vehicles and Equipment	Leasehold Improvements	Projects in Progress	Total
	\$	\$	\$	\$	\$	\$
COST						
April 1, 2019	5,250,117	831,725,962	3,982,922	1,255,644	21,006,519	863,221,164
Acquisitions	---	19,314,554	934,194	(63,653)	29,177,587	49,362,682
Disposals	---	---	(196,420)	---	---	(196,420)
Transfers	---	17,870,262	---	---	(17,870,262)	---
March 31, 2020	5,250,117	868,910,778	4,720,696	1,191,991	32,313,844	912,387,426
Acquisitions	---	167,982	426,209	---	4,701,967	5,296,158
Disposals	---	---	---	---	---	---
Transfers	---	---	---	---	---	---
June 30, 2020	5,250,117	869,078,760	5,146,905	1,191,991	37,015,811	917,683,584
ACCUMULATED AMORTIZATION						
April 1, 2019	---	270,597,313	2,442,849	162,834	---	273,202,996
Amortization	---	32,281,396	361,555	282,194	---	32,925,145
Disposals	---	---	(190,054)	---	---	(190,054)
March 31, 2020	---	302,878,709	2,614,350	445,028	---	305,938,087
Amortization	---	7,392,153	99,373	71,306	---	7,562,832
Disposals	---	---	---	---	---	---
June 30, 2020	---	310,270,862	2,713,723	516,334	---	313,500,919
NET BOOK VALUE						
March 31, 2020	5,250,117	566,032,069	2,106,346	746,963	32,313,844	606,449,339
June 30, 2020	5,250,117	558,807,898	2,433,182	675,657	37,015,811	604,182,665

As at June 30, 2020, "Accounts Payable and Accrued Liabilities" includes acquisitions related to tangible capital assets of \$11,522,363 (\$9,512,705 as at March 31, 2020).

4.6.8 Share Capital

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

4.6.9 Contingencies

Legal Proceedings and Claims

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

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

Other Contingencies

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

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

4.6.10 Related Party Transactions

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

4.6.11 Expenses by Type

	June 30, 2020	June 30, 2019
	\$	\$
Regular and major maintenance	17,255,386	16,820,799
Environmental obligations	335,345	875,931
Amortization of tangible capital assets	7,562,833	10,687,385
Salaries and employee benefits	6,137,939	5,442,473
Professional services	2,291,025	2,699,215
Goods and services	2,167,794	1,966,052
Total Expenses	35,750,322	38,491,855

4.6.12 Parliamentary Appropriations

	June 30, 2020	June 30, 2019
	\$	\$
Parliamentary appropriations requested	33,841,351	40,192,014
Long-term contractual holdbacks	(825,102)	(1,370,826)
Total Parliamentary Appropriations Recognized as Revenue	33,016,249	38,821,188
Distribution		
Portion of parliamentary appropriations for operating expenses	27,720,091	27,073,303
Portion of parliamentary appropriations for tangible capital assets	5,296,158	11,747,885
Total Parliamentary Appropriations Recognized as Revenue	33,016,249	38,821,188

4.7 Deconstruction of the Original Champlain Bridge

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

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



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