Les Ponts Jacques Cartier et Champlain Incorporée

The Jacques Cartier and Champlain Bridges Incorporated

Canada

YOUR BRIDGES, OUR EVERYDAY LIFE, OUR JOB.

ANNUAL REPORT 2013 – 2014

MAP OF JCCBI INFRASTRUCTURES

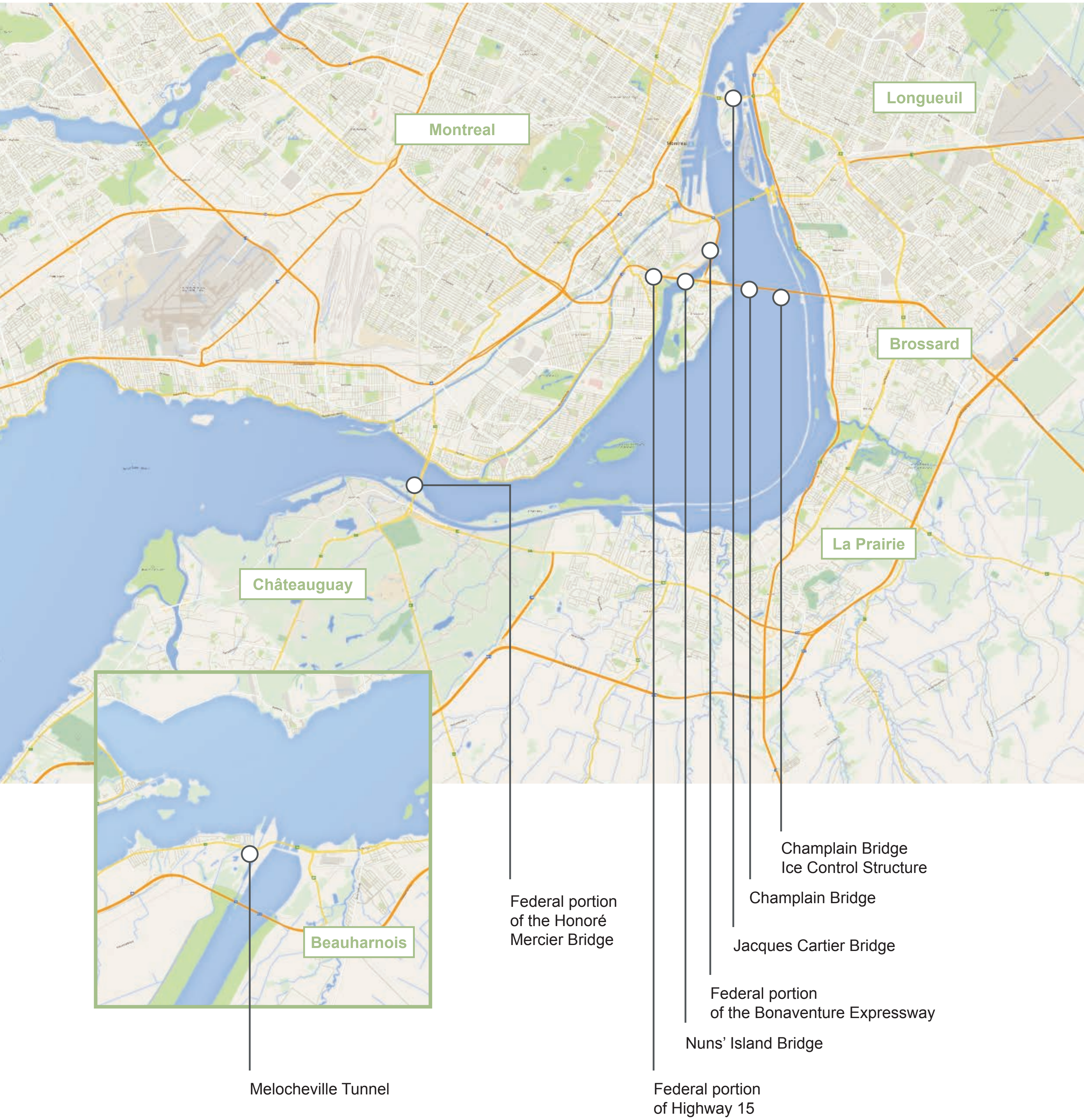


TABLE OF CONTENTS

1. MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS	**5**
2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	**7**
3. GOVERNANCE	**8**
3.1 Accountability and Governance	9
3.2 Board of Directors Remuneration	11
4. WHO WE ARE	**12**
4.1 Status	13
4.2 Mandate	15
4.3 Mission, Vision, and Values	15
4.4 Administrative Profile and Funding	17
4.5 History	18
5. BUSINESS PERFORMANCE	**22**
5.1 Performance Highlights by Structure	23
5.2 Our Values at Work	28
5.2.1 Teamwork	28
5.2.2 Transparency	29
5.2.3 Thoroughness	30
5.2.4 Innovation	31
5.2.5 Commitment	32
5.3 Architecture by Program Activity	34
5.4 Five-Year Financial Summary	35
6. MANAGEMENT ANALYSIS	**36**
6.1 Operating Context	37
6.1.1 Support of the Government Direction for Expenditure Restraint	39
6.1.2 Traffic Patterns	40
6.1.3 Stakeholder Relationships	42
6.1.4 Fraud and Corruption	44
6.1.5 Environmental Obligations	45
6.2 Strategic Issues and Risks	46
6.3 Analysis of Results	48
6.3.1 Statement of Financial Position	48
6.3.2 Statement of Operations	50
6.3.3 Statement of Cash Flow	55
6.3.4 Accounting Policies and Estimates	55
7. FINANCIAL STATEMENTS	**59**
APPENDIX A: 2013–2014 PERFORMANCE REVIEW	**81**
APPENDIX B: BOARD OF DIRECTORS, MANAGEMENT TEAMS, AND COMMITTEES	**82**
APPENDIX C: LIST OF ABBREVIATIONS	**83**

BOARD OF DIRECTORS (from left to right)
Mr. Glen P. Carlin, Acting Chief Executive Officer
Mrs. Denise Hébert, Director
Mr. John Papagiannis, Acting Corporate Secretary
Mr. Serge Martel, Director
Mr. Paul Kefalas, Acting Chairman of the Board of Directors
(Absent: Mr. Yvon Bourget, Director)

SECTION 1

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

It is with great pleasure that I present the annual report of The Jacques Cartier and Champlain Bridges Incorporated (JCCBI). Having become a parent Crown corporation in February 2014, JCCBI is now responsible for producing this document, which presents the latest information on the Corporation's activities and helps explain the complexities involved.

The change in our legal status has not affected our priorities: Today as in the past, the safety of our structures guides the strategic decisions that lead all our actions.

The infrastructures under our responsibility are at the heart of the economic and social activity of Greater Montreal. In 2013–2014, in order to manage, monitor, and maintain these infrastructures, our budgets were substantially increased, which enabled us to address unique engineering challenges.

Our structures are exposed to steady and heavy traffic, to the adverse effects of salt, and to weather fluctuations which are typical of the Montreal climate. The Champlain Bridge, more than any other bridge, was affected by these factors given its special design, which has rendered it more vulnerable to corrosion.

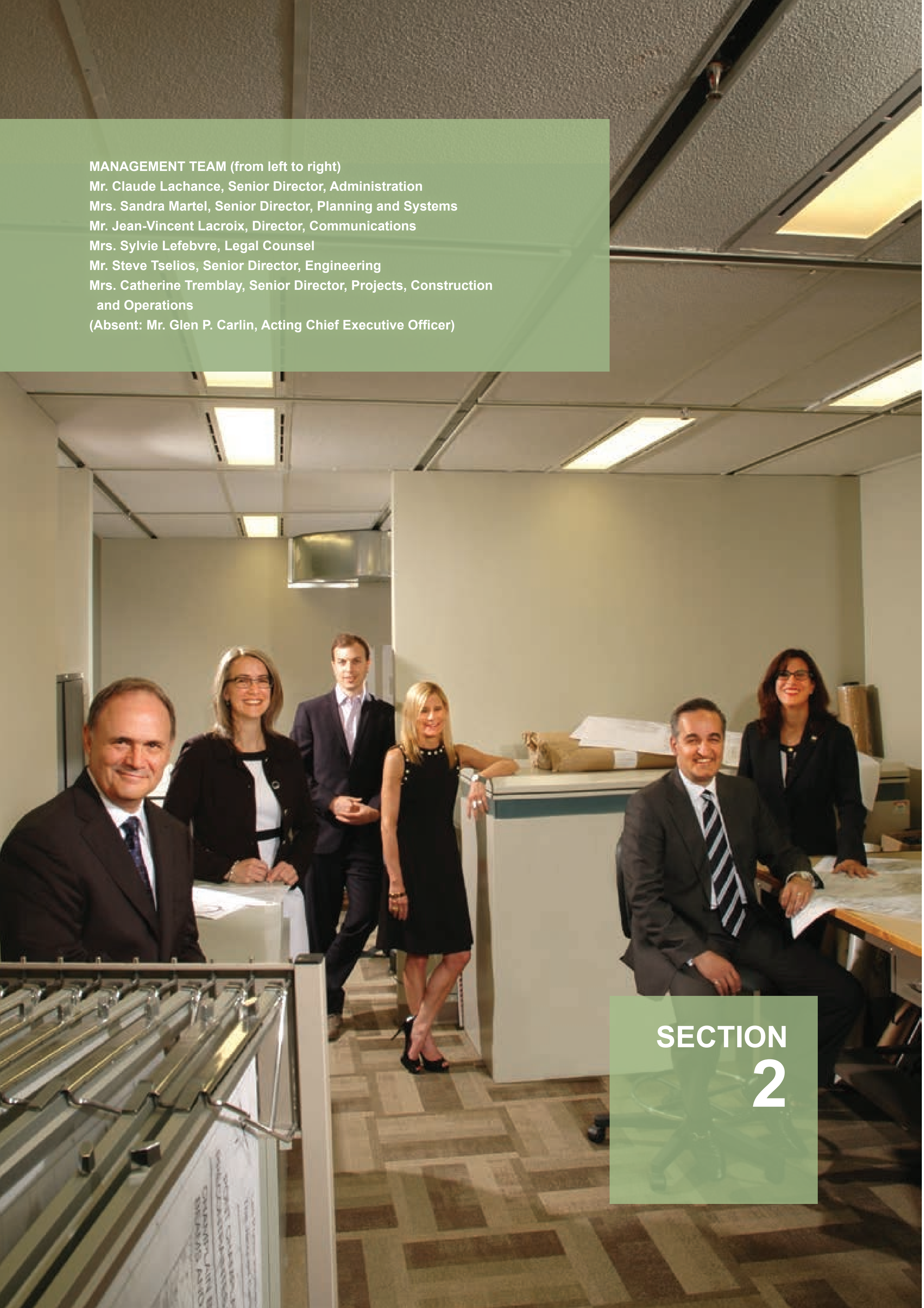
These challenges are opportunities to exercise our technical expertise and truly fulfill our role as a responsible and rigorous manager.

The publication of this document also gives me the opportunity to reiterate JCCBI's vision as a manager of major structures, one who is a leader in its field. This positioning can be achieved by JCCBI only through responsible, preventive, and systemic management.

In this respect, I congratulate all the teams of the Corporation for their constant commitment and thoroughness in the daily management of our structures.

PKefalas

Paul T. Kefalas, Acting Chairman of the Board of Directors



MANAGEMENT TEAM (from left to right)
Mr. Claude Lachance, Senior Director, Administration
Mrs. Sandra Martel, Senior Director, Planning and Systems
Mr. Jean-Vincent Lacroix, Director, Communications
Mrs. Sylvie Lefebvre, Legal Counsel
Mr. Steve Tselios, Senior Director, Engineering
Mrs. Catherine Tremblay, Senior Director, Projects, Construction and Operations
(Absent: Mr. Glen P. Carlin, Acting Chief Executive Officer)

SECTION 2

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Our Corporation's mission could not be more important: to ensure the safe passage of infrastructure users through the management, maintenance, and rehabilitation of the infrastructure by optimizing traffic flow and respecting the environment. We fulfill this mission every day through planning, carrying out inspections, ensuring our presence in the field, and communicating what we do, knowing that our infrastructure and road network are crucial for the Greater Montreal Area.

JCCBI has initiated an extensive infrastructure rehabilitation program across its network. During the current fiscal year, in addition to the progress of the Champlain Bridge major maintenance program, several major projects were initiated, including the construction of the Nuns' Island bypass bridge. We also continued the rehabilitation of the elevated portion of the Bonaventure Expressway and the replacement of the deck on the federal portion of the Honoré Mercier Bridge.

With the emergency intervention made on the Champlain Bridge in the fall of 2013, the year was marked by extenuating circumstances to which the teams of JCCBI responded with an exemplary level of professionalism. The solution implemented, known to the public as the "super-beam," had been planned as early as 2009, which enabled us to intervene as soon as possible, within about two weeks, in order to minimize the impact on traffic. We are privileged to be able to count on our experienced staff. While each operates within the field of his or her expertise, all our employees have the same dedication to making our network safe and efficient.

Furthermore, the super-beam operation was managed with the utmost transparency – an important value for us. By reaching out to the public to reassure and inform, by demonstrating an open-minded attitude, and by mobilizing our resources day and night, we showed thousands of people who use our structures every day that no effort would be spared to ensure their safety.

In February 2014, the Corporation's status changed. It became a parent Crown corporation, whereas since its incorporation in 1978, it was, for 20 years, a subsidiary of the St. Lawrence Seaway Authority, and became, in 1998, a subsidiary of The Federal Bridge Corporation Limited. This change in status will result in new responsibilities in the management of the Corporation.

Glen P. Carlin, Acting Chief Executive Officer

SECTION 3

GOVERNANCE

3.1 ACCOUNTABILITY AND GOVERNANCE

The Jacques Cartier and Champlain Bridges Incorporated (hereinafter referred to as "JCCBI" or "the Corporation") is accountable to Parliament for the conduct of its affairs through the Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec.

As at March 31, 2014, the Corporation is governed by a Board of Directors made up of five directors, including the Chairman of the Board and the Chief Executive Officer. The directors are appointed by the Minister, with the approval of the Governor in Council, and the positions of Chairman of the Board and of Chief Executive Officer are appointed by the Governor in Council, on the recommendation of the Minister.

BOARD COMMITTEES

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

- The *Corporate Governance Committee*, which is responsible for evaluating all of JCCBI's governance aspects and practices. Its mandate is to propose to the Board of Directors the way in which the Corporation will address questions relating to its governance practices and the way in which it will implement the guidelines relating to the governance of Crown corporations issued by the Treasury Board Secretariat.
- The *Audit Committee*, whose responsibilities are as set out in the *Financial Administration Act* ("FAA"). They include monitoring JCCBI's integrity and performance 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 with regard to the development of human resources policies, programs, and practices which 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 the following committees:

- *Steering committees* for major projects: These committees, which are advisory and without decision-making powers, ensure the smooth running of major projects. A steering committee is in place for each of the following major projects: the Honoré Mercier Bridge Deck Replacement Project, the Nuns' Island Bypass Bridge (temporary causeway-bridge) Construction Project, and the Champlain Bridge Rehabilitation Project.
- The *Information Technology and Change Management Committee*: Its mandate consists of the monitoring of new technological tools implementation projects.

AUDIT REGIME

JCCBI's auditor is the Auditor General of Canada pursuant to *The Jacques Cartier and Champlain Bridges Incorporated Regulations*. The Auditor General conducts an annual audit of JCCBI's operations in accordance with the *Financial Administration Act* (FAA), the *Canada Business Corporations Act*, The Jacques Cartier and Champlain Bridges Incorporated, the *Regulations of the Canada Marine Act*, and the articles and bylaws of The Jacques Cartier and Champlain Bridges Incorporated, to ensure that the Financial Statements present the financial results fairly, in accordance with Canadian public sector accounting standards.

JCCBI develops multi-year plans of internal audits of its operations in order to determine, among other things, whether its risk management, control, and governance systems enable it to fulfill its mission economically, efficiently, and effectively in accordance with the applicable legislation. JCCBI hires external firms to conduct the audits. Furthermore, in order to ensure independence and objectivity, and because its budgets are growing, JCCBI plans to hire an internal resource specializing in internal audits who will report directly to the Audit Committee. This resource will implement a systematic and methodical approach to improve the quality of internal audits.

Given the particularity of the Honoré Mercier Bridge Deck Replacement Project, including the fact that it is executed in partnership with the Ministère des Transports du Québec (MTQ) and that JCCBI acts as manager of the project, the Corporation has retained the services of an external accounting firm which provides internal audit services pertaining to the internal audit of financial aspects of the project as well as accounting support services.

3.2 BOARD OF DIRECTORS REMUNERATION

The Governor in Council establishes the rate of remuneration paid to the Chairman and other board members and to the Chief Executive Officer. The remuneration of the Chairman and other board members follows the *Government's 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 rate of $300 for attending board meetings and committees, while other board members receive an annual retainer of $3,800 and a per diem rate of $300. Board members are reimbursed for all reasonable out-of-pocket expenses including travel, accommodations, and meals while performing their duties.

The conditions of employment of the Chief Executive Officer are provided by the *Terms and Conditions of Employment for Full-Time Governor in Council Appointees.* The salary range for the position of Chief Executive Officer (CEO 3) is $177,400 to $208,600. The Chief Executive Officer does not receive any per diem rate for attending board meetings. The Governor in Council may also grant to the Chief Executive Officer a performance bonus of up to 15% of the base salary, based on the achievement of key performance objectives.

WHO WE ARE

SECTION 4

4.1 STATUS

JCCBI was incorporated on November 3, 1978, under the *Canada Business Corporations Act*. JCCBI was, until September 30, 1998, a subsidiary 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 Crown corporation listed in Part I of Schedule III of the FAA.

On February 13, 2014, JCCBI became a parent Crown corporation listed in Part I of Schedule III of the FAA.

JCCBI is an agent of Her Majesty, pursuant to *The Jacques Cartier and Champlain Bridges Incorporated* Regulations (DORS / 98-568). It is subject to Part X of the FAA.

1978

Wholly owned subsidiary of the St. Lawrence Seaway Authority

1998

Wholly owned subsidiary of The Federal Bridge Corporation Limited

FEBRUARY 2014

Parent Crown corporation

A Manager of Structures of Strategic Importance TO THE CITY

The finials atop the Jacques Cartier Bridge's main span are caps that most likely have no connection to the real Eiffel Tower. The popular misconception is that these four finials, which due to their appearance have earned them the nickname "the Eiffel Towers," were a gift from France.

In fact, it is the bust of Jacques Cartier, located at the exit for Saint Helen's Island, that was a gift from France in 1934, the year the bridge was renamed Jacques Cartier to highlight the 400th anniversary of the discovery of Canada. From its inauguration until 1934, the Jacques Cartier Bridge was named the Montreal Harbour Bridge (Pont du Havre). From the ground, it's hard to imagine that each finial is nearly five metres tall and weighs six tons.

4.2 MANDATE

JCCBI manages all bridges, roads, and tunnels under federal jurisdiction located in the Greater Montreal Area: the Champlain and Jacques Cartier Bridges, the federal portion of the Honoré Mercier Bridge and approaches thereto, and three related infrastructures, namely a section of the Bonaventure Expressway and of Highway 15, the Champlain Bridge Ice Control Structure, and the Melocheville Tunnel.

For each of these infrastructures, JCCBI assumes responsibility for:

- operations;
- inspections;
- maintenance;
- repairs;
- safety;
- coordination with municipal and provincial stakeholders;
- management of contaminated sites.

OPTIMIZING
Traffic Flow Safely

4.3 MISSION, VISION, AND VALUES

OUR MISSION

Ensure the **safe** passage of users through the management, maintenance, and rehabilitation of the infrastructure by optimizing traffic **flow** and respecting the **environment**.

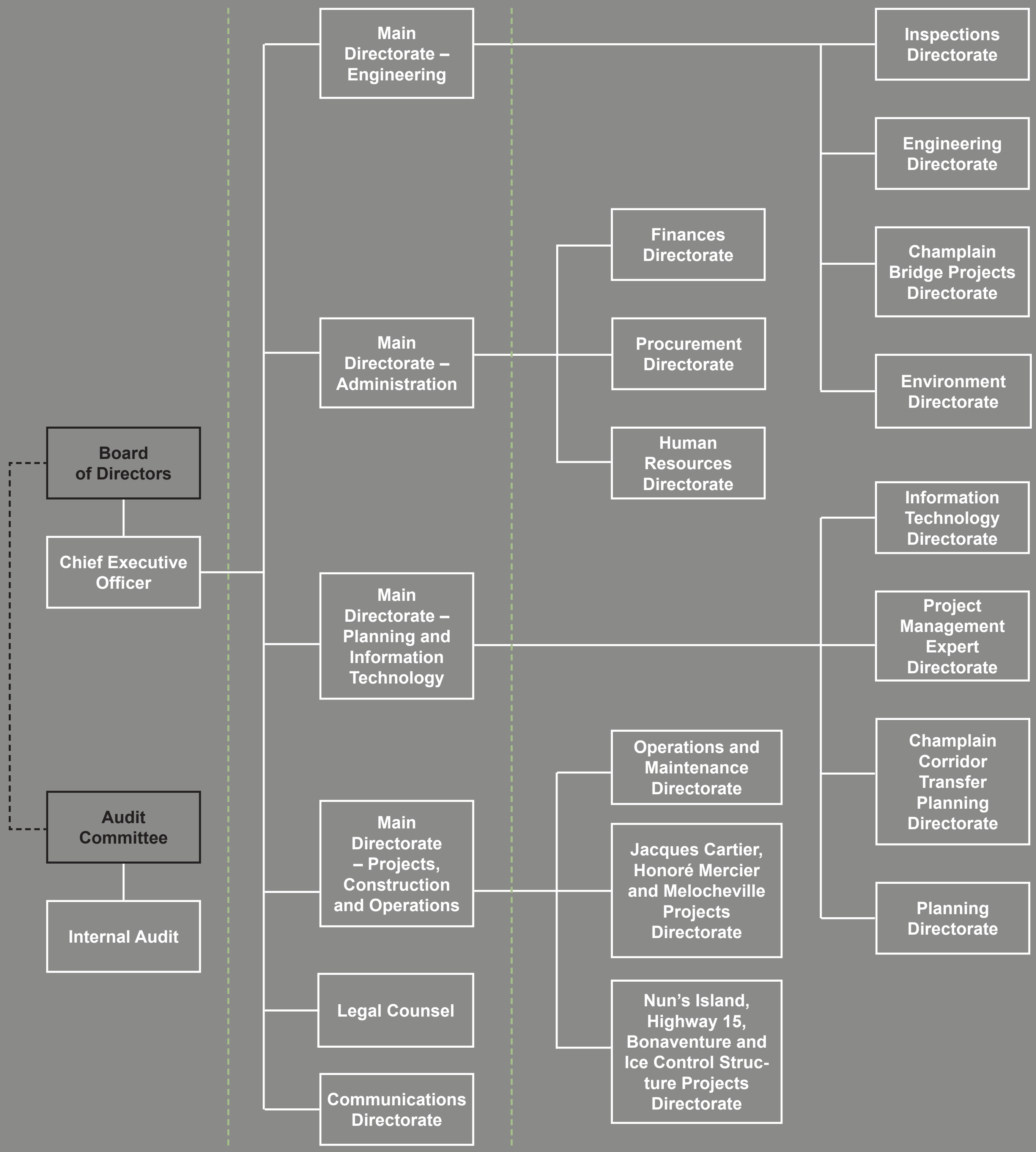
OUR VISION

JCCBI pursues its development so as to consolidate its position as a **manager of major infrastructure works**, a leader in its field through **responsible**, **preventive**, and **systemic** management.

OUR VALUES

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

JCCBI ORGANIZATIONAL CHART



4.4 ADMINISTRATIVE PROFILE AND FUNDING

JCCBI's activities are distributed between two sectors:

Engineering and Construction

It manages the activities connected with major projects for the construction, rehabilitation, and repair of components of civil and road engineering structures (such as piers, girders, decks, steel structures, foundations, paving, and painting).

Operations and Maintenance

It oversees and manages contracts for snow removal and spreading of abrasives, road cleaning and maintenance, landscaping, replacement of guardrails, sealing cracks and lubricating bearings, repairing potholes in the pavement and bridge decks, as well as the maintenance and operation of lane signal control systems and surveillance cameras, electrical distribution, and road lighting.

Administrative departments such as Legal Counsel, Procurement, Finances, Planning, Information Technology, Human Resources, Environment, and Communications support these sectors.

FUNDING

JCCBI is entirely funded through parliamentary appropriations from the Governement of Canada. Very limited revenue from other sources, such as leases, licenses, and also billboards valued at less than $5 M a year, marginally contributes to its funding.

Public utilities and municipal authorities use JCCBI's structures and properties under licenses and leases granted by the Corporation. They are subject to rents, which are determined based on the market value of the properties occupied and/or according to a rate per linear metre.

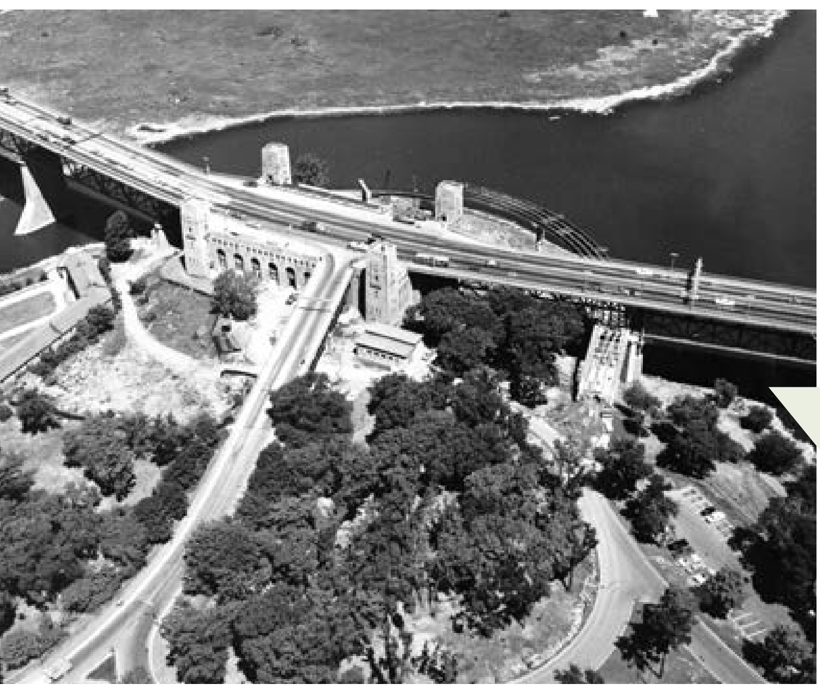
JCCBI also collects revenues from billboards installed on its territory, at the approaches to the Jacques Cartier and Champlain Bridges and along the Bonaventure Expressway and Highway 15. These billboards are owned and operated by an external firm under a contract entered into in 2000 with the FBCL, with the contract being assigned to JCCBI by the FBCL in 2014.

KNOW-HOW AND EXPERIENCE

for Road Users

4.5 HISTORY

The structures managed by JCCBI have historical roots which take us right to the heart of the growth of Greater Montreal, from the dawn of the 20th century to the present. The Corporation's history shows that the city's traffic network is closely related to the development of the St. Lawrence Seaway.



THE JACQUES CARTIER BRIDGE: THE FIRST BRIDGE TO BE DEDICATED SOLELY TO PEDESTRIANS AND VEHICLES

The idea of building a bridge linking Montreal and the south shore of the St. Lawrence River in the sector of the existing Jacques Cartier Bridge emerged in the late 1800s.

At the time, only the Victoria Bridge (inaugurated in 1859) connected the Island of Montreal to the South Shore. It was primarily a rail link. Near Longueuil, the crossing over the river was, in the summertime, done through two ferries. In the wintertime, an ice bridge was built, which few people dared, during the few weeks of bitter cold, to cross by car.

It would not be until the 1920s that the project would materialize as a result of the tenacity of many organizations and citizens' groups and the assistance from the Harbour Commissioners of Montreal, who managed to persuade the federal government to build a toll bridge which would become a project of the Port of Montreal.

Opened to traffic on May 14, 1930, the bridge, then called "Harbour Bridge," was renamed "Jacques Cartier Bridge" in 1934. Its toll, automated in 1959, was abolished in 1962.

THE HONORÉ MERCIER BRIDGE: UNDER BOTH FEDERAL AND PROVINCIAL JURISDICTIONS

Initially consisting of a two-lane bridge belonging to the Corporation du pont du lac Saint-Louis, the Honoré Mercier Bridge was inaugurated in 1934 and transferred to the Quebec government in 1942.

Its steel structure was built by the Dominion Bridge Company Limited as part of work funded by the government to address the economic crisis. It was designed by eleven French-Canadian engineers, graduates of the École Polytechnique de Montréal.

Numerous Mohawk workers, many from the adjoining community of Kahnawake, renowned for their skills as steel erectors on elevated structures (including the Empire State Building), have greatly contributed to its construction.

Since the bridge's opening, it has undergone a series of changes and extensions. Between 1958 and 1959, as part of the St. Lawrence Seaway construction project, SLSA carried out work to raise it and extend its southern portion to provide clear passage for ships.

Once completed, this new portion remained under the jurisdiction of SLSA until October 1, 1998, when it became JCCBI's responsibility. Today, the management and maintenance of the bridge are shared between JCCBI and the MTQ.

THE MELOCHEVILLE TUNNEL: A PASSAGE UNDER THE LOCKS

The Melocheville Tunnel was built by SLSA in 1956–1957 as part of the construction of the St. Lawrence Seaway. Running under the locks of the Beauharnois Canal in Melocheville, it is an extension of Highway 132.

For more than 20 years, it was known as the "Beauharnois Tunnel" and it was officially renamed in 1991.

This structure remained under the jurisdiction of SLSA until October 1, 1998, and was then transferred to JCCBI under a directive from the Federal Minister of Transport pursuant to paragraph 80(1) of the *Canada Marine Act*.

Structures Which Weave the URBAN FABRIC

THE CHAMPLAIN BRIDGE AND BONAVENTURE EXPRESSWAY: TOWARDS THE HEART OF THE CITY

It was in August 1955 that the Honourable George Marler, Federal Minister of Transport, announced the construction of a toll bridge between the heart of the city and the south shore of the St. Lawrence River, at the height of Nuns' Island.

This new crossing, which then added to the Victoria, Jacques Cartier, and Honoré Mercier Bridges, addressed a pressing need stemming from increased traffic flow. Responsibility for the project was entrusted to the National Harbours Board.

The Champlain Bridge was opened to traffic in June 1962. At that time, the only access route started at Wellington Street. A second route was opened in 1964. With the discussions surrounding the construction of the Bonaventure Expressway, a third approach route was envisaged in 1965 by the National Harbours Board and the City of Montreal, who decided to share the construction costs.

The project took on an entirely new dimension when the plans of Expo 67 were published, because this proposed new route represented the most important, if not the only, means of access to the Expo site. It was thus designed with that in mind, while at the same time providing for the fact that it could later be linked to the Port of Montreal.

The Bonaventure Expressway was inaugurated on April 21, 1967, a few days before the opening of Expo 67.

THE CHAMPLAIN BRIDGE ICE CONTROL STRUCTURE ON THE ST. LAWRENCE

The Champlain Bridge Ice Control Structure was built in 1964–1965. At the time, it was used as an ice control structure, mainly to avoid the risk of ice jams and flooding in the Montreal area after the Expo 67 islands were built.

Starting in 1966, the Canadian Coast Guard (Fisheries and Oceans Canada) assumed management thereof. On December 2, 1999, this management was transferred to JCCBI.

Over the years, the advent of icebreakers has eliminated the need to operate the ice control structure stop logs. Today, the Champlain Bridge Ice Control Structure is used to manage the ice in the La Prairie Basin. It also serves as a bicycle crossing between Nuns' Island and the bike paths on the South Shore, and is used by JCCBI contractors during rehabilitation work on the Champlain Bridge.

SECTION 5

BUSINESS PERFORMANCE

5.1 PERFORMANCE HIGHLIGHTS BY STRUCTURE

In addition to the specific interventions falling within the daily monitoring of structures, JCCBI has carried out major construction projects during the fiscal year 2013–2014:

Making a Difference in the Daily Lives of THOUSANDS OF USERS

JACQUES CARTIER BRIDGE

- Work on roadway approaches to the bridge both on the Montreal and South Shore sides (paving);
- Reconfiguration of the exit ramp towards Taschereau Boulevard (in terms of geometry);
- Replacement of bearings;
- Repair and strengthening of the bridge steel structure members;
- Reconstruction of the concrete guardrail at the north approach to the bridge;
- Sealing of the bike path located on the west side of the bridge and of the sidewalk located on the east side thereof;
- Relocating of lampposts (including the routing of electrical cables) and signage structures, reinforcement of the embankment and correction of deficient pavement on the southern section of the bike path;
- Full rehabilitation of the inspection catwalk located beneath the bridge deck and allowing rapid access to most of the structure;
- Pier renovation;
- Construction of a new storage site.

Length: 2,725 m

Width of the roadway: 18.3 m

Width of the bike path: 2.5 m

Width of the sidewalk: 1.5 m

Height of the highest point above the water level: 104 m

Visit to the Champlain Bridge support girder, in November 2013, in the presence of the Honourable Denis Lebel, Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec.
(From left to right) Mr. Paul Kefalas, Acting Chairman of the Board of Directors, the Honourable Denis Lebel, and Mr. Glen P. Carlin, Acting Chief Executive Officer.

Support Girder Operation – An Efficient and Transparent Operation

On November 12, 2013, JCCBI was forced to close one lane of the Champlain Bridge towards the South Shore in order to adequately complete the analysis of the condition of an edge girder. The presence of a crack, which indicated the beginning of a failure, had in effect been found during an inspection.

On November 21, 2013, as the crack was still progressing, JCCBI closed a second traffic lane to allow for a special inspection to analyze the situation in depth. The support girder operation, qualified by the media as the “super-beam” operation, was launched. A temporary support girder must be installed above the existing girder by resting on the ends of the adjacent spans at pier level, a solution that was considered by JCCBI as early as 2009. Once the girder was secured, steps were undertaken to reopen the traffic lanes with a reduced total width.

Throughout this operation, beyond the efficiency and diligence of the operation, which aimed at ensuring public safety while minimizing the impact on traffic, JCCBI demonstrated a proactive attitude towards its users and partners. The constant mobilization of its spokespersons and judicious use of social networks to keep the public informed of the situation at all times have in fact been noted by the media.

CHAMPLAIN BRIDGE

- Installation of a support girder in the context of emergency work;
- Paving of the steel section (section 6);
- Installation of monitoring sensors on both sides of the steel structure: 100% of section 7 and 50% of section 5;
- Addition of external post-tensioning to edge girders (program completed in 2013);
- Strengthening and addition of post-tensioning to pier caps (program completed in 2013);
- Replacement of expansion joints (four) (33% of the program completed in 2013);
- Strengthening of girders through the installation of trusses (40% of the program completed in 2013);
- Strengthening of girders through the installation of carbon fibre (14% of the program completed in 2013);
- Pier shaft rehabilitation (35% of the program completed in 2013);
- Major work affecting traffic was mainly concentrated on four weekend blitzes in the spring of 2013;
- Expansion and rehabilitation of the wharf located between the Ice Control Structure and the bridge.

Length: 3,440 m

Length of the suspension span over the Seaway: 215.5 m

Total length of the steel section: 763.6 m

Lane width: from 23.16 m to 26.52 m depending on the sections.

APPROACHES TO THE CHAMPLAIN BRIDGE

Bypass bridge (temporary causeway-bridge) between the Island of Montreal and Nuns' Island ("NI") Project

- Construction of overhead structures (abutments and piers);
- Earthwork on the Montreal and NI sides;
- Construction of a multifunctional passage on NI;
- Construction and commissioning of a new snow disposal site.

Preparing the Ground for the Future

The construction of the bypass bridge between the Island of Montreal and Nuns' Island began in 2013. This bypass road isolates the existing bridge for replacement thereof as part of the New Bridge for the St. Lawrence Project led by Infrastructure Canada (INFC). The bypass bridge will have the same number of lanes as the existing bridge, as well as a wider bike path and a dedicated lane for public transit in order to accommodate the existing bus service managed by the AMT, morning and evening on the Champlain Bridge.

Nuns' Island Bridge

- Repair and maintenance of the concrete slab;
- Addition of external post-tensioning to edge girders;
- Installation of monitoring sensors on 100% of the bridge.

Viaduct towards Verdun/Wellington Street (Viaduct V)

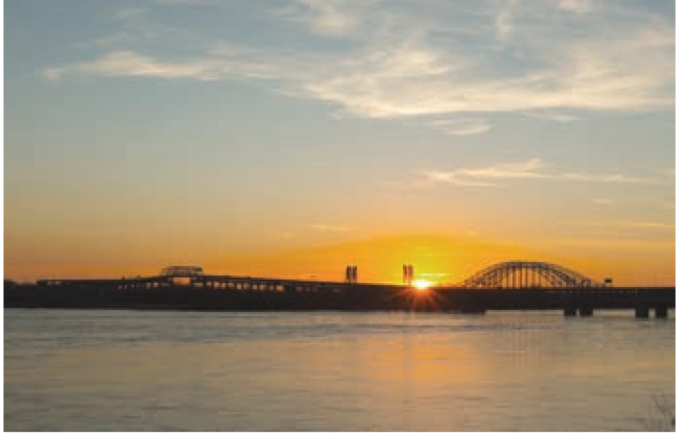
- Construction of the new viaduct towards Verdun and Wellington Street;
- Reconfiguration of access roads;
- Demolition of the old viaduct.

Bonaventure Expressway

- Replacement of a section of the elevated portion;
- Paving of section 11 towards Montreal (work integrated into Champlain Blitz);
- Completion of the construction of a section of Marc Cantin Street for a dedicated bus lane.

Other Work

- Paving of Highway 15 North (work integrated into the Champlain Blitz);
- Repair of Viaduct East piers and abutments on Highway 15;
- Various projects in the Bonaventure Expressway West Sector.



HONORÉ MERCIER BRIDGE (FEDERAL PORTION)

Replacement of the deck on the section of Maline Island towards Montreal between the St. Lawrence Seaway (pier 27) and the St. Lawrence River (pier 14)

- Cutting of the existing concrete deck;
- Installation of 116 new factory precast concrete slabs;
- Installation of new protection devices, new expansion joints as well as new bearings;
- Post-tensioning of the new concrete slabs with steel cables;
- Inspection and final paving;
- Strengthening of pier caps;
- Major work affecting traffic was concentrated during a five-week blitz in the summer of 2013;
- Regular and frequent follow-ups with the MTQ for the coordination of its work on the portion of the bridge under its management.

Length (federal portion): 925.87 m

Width (federal portion): 19.8 m

Honoré Mercier Bridge Deck Rehabilitation

In 2008, JCCBI launched a major project for the rehabilitation of the deck on the federal portion of the Honoré Mercier Bridge, which had reached the end of its service life. The factory precast concrete slab process was selected to perform this work. This method is faster and the most efficient, in addition to meeting the highest safety requirements. In addition, it offers the bridge a higher life expectancy than the other methods (75-year lifetime). The deck is being replaced panel by panel.

Issues in connection with the qualification of the Mohawk workers, under the applicable Quebec legislation, and also a major shift in the strategy of the Quebec government have delayed the project schedule.

The tripartite agreement for this large-scale project between the Canadian and Quebec governments and the Mohawk Council of Kahnawake is a first.

MELOCHEVILLE TUNNEL

- Resurfacing of part of the tunnel paving;
- Regular maintenance of mechanical and electrical pumping and ventilation systems;
- Installation of new lights in the south tube.

Total length: 227.6 m

Total width: 28.5 m

CHAMPLAIN BRIDGE ICE CONTROL STRUCTURE

- Full replacement of railings by new steel barriers.

Length: 2,043 m

Total width: 18 m

Number of piers: 72

OUR VALUES AT WORK

Professionals Devoted to MOBILITY

TEAMWORK

JCCBI's major maintenance program budget has significantly increased. In order to ensure the achievement of its Five-Year Plan, the Corporation's Board of Directors and management have pondered the situation to reconsider the organizational structure and staffing.

In 2013, the Corporation added several positions within its various departments. From April 1, 2013, to January 1, 2014, it has increased its number of permanent employees from 68 to 110.

JCCBI knows that its employees represent its greatest assets. That is the reason JCCBI ensures the update of the succession and continuous development plans. The following actions were taken during fiscal year 2013–2014:

- Implementation of an organizational transformation adhesion plan for managers and employees;
- Coordination of task monitoring, in order to accelerate the integration of new employees (mentoring);
- Leadership training for managers;
- Implementation of a recruitment strategy similar to that of a business start-up;
- Review of the integration program through the creation of a temporary training centre (recruitment blitz) with the help of an external resource and through the development of ongoing training, both task-based and under a common core;
- Ensuring efficiency in the performance assessment program;
- Monitoring of and follow-up on the Local Occupational Health and Safety Committee action plans and on the Prevention Program;
- Renewal of the collective agreement of the employees affiliated with the Syndicat des travailleuses et travailleurs des ponts Jacques-Cartier et Champlain (CSN) until December 31, 2015.

TRANSPARENCY

Given its role in the daily lives of thousands of citizens and its strategic position in the economic development of the metropolitan area, JCCBI must act in a spirit of transparency and proximity with its users and partners.

BLOGS, SOCIAL NETWORKS, AND VIDEOS

JCCBI's work is carried out in a context where, every day, media attention is omnipresent. This situation poses its share of challenges, but also gives opportunities to explain to the public the issues faced by the Corporation.

JCCBI quickly set itself apart by increasing its online presence. With a website, three blogs, multiple profiles on the social networks, and several explanatory videos, thousands of users follow its activities on a daily basis and can obtain information on future closures.

During the "super-beam" operation, JCCBI relied heavily on the Internet and social networks to support its communication efforts. Consequently, the Champlain Bridge Twitter account and blog were, throughout the operation, fed on a continuous basis.

In that regard, JCCBI and the public relations firm Citoyen Optimum have won a joint award at the *Gala des Prix d'excellence de la Société québécoise des professionnels en relations publiques* for this successful operation.

OUTREACH ACTIVITIES WITH USERS AND STAKEHOLDERS

In 2013–2014, meetings were organized with the mayors and the MRC de Roussillon within the framework of the annual follow-ups of the Honoré Mercier Bridge Rehabilitation Project.

Together with INFC, open house sessions gave an opportunity to present the Nuns' Island Bridge Bypass Road Project to communities neighbouring the project.

A visit to the Nuns' Island bypass bridge construction site has enabled the Association des propriétaires et résidants de L'Île-des-Sœurs (APRIDS) to observe the progress and scope of this major construction project.

Visits were also organized, during work on the Champlain Bridge, for groups of engineering students in order to share JCCBI expertise.

Finally, JCCBI launched, in 2013, the contest entitled "A visit to the heart of the Champlain Bridge." The experience, very successful from the point of view of public reception, will be renewed for the fiscal year 2014–2015.

FOCUSING

on Communication and Proximity

THOROUGHNESS

All of JCCBI's activities are carried out according to industry best practice standards, whether relating to interventions on structures or to administrative support.

ADMINISTRATIVE DEPARTMENTS

These include management support and human resource management services, such as Finances, Internal Audit, Risk Management, Strategic Planning, and Human Resources. They notably allow the Corporation to do the following:

- Meet all its legislative and regulatory obligations on reporting (production of the 2014–2015 to 2018–2019 Corporate Plan and five-year budget planning);
- Support the government budget constraint measures;
- Complete the conversion to the public sector accounting standards to meet regulatory obligations;
- Continue to improve the Enterprise Risk Management process.

Meeting the Highest REQUIREMENTS

STRUCTURE MONITORING PROGRAM

JCCBI carries out annual inspections on all its structures, as well as detailed inspections on certain components of its structures. Over a a 3- to 4-year cycle, each structure on the network will have undergone a detailed and thorough inspection, also referred to as a "hands-on" inspection.

As for the Champlain Bridge, it requires a detailed inspection program whose frequency is more important. In 2013, a special inspection of the Champlain Bridge edge girders was carried out and a detailed analysis of the performance of these edge girders was performed. The report of this inspection, by Buckland and Taylor Ltd., is available on JCCBI's website.

As part of the Champlain Bridge monitoring program, fiscal year 2013–2014 was marked by the installation of several fibre optic monitoring sensors. They can, instantly and at all times, monitor the performance of the bridge girders (girder distortion caused by truck transits, structural movements, etc.). The accuracy of information obtained from this instrumentation is within the micron range.

By the end of this fiscal year, the installation of the instrumentation for monitoring the Champlain Bridge edge girders will have been completed at 50% for section 5 and fully completed for section 7 of the bridge. The existing Nuns' Island Bridge, which will no longer be in service during fiscal year 2014–2015, has also been fully instrumented.

INNOVATION

Maintaining and monitoring the entire network is a daily technological challenge, particularly in the context of aging infrastructure. One of JCCBI's strategies is to adopt innovative measures in terms of designing reinforcements and planning interventions.

INNOVATIVE REINFORCEMENT SYSTEMS ON THE CHAMPLAIN BRIDGE

Reinforcement systems, always more efficient and adapted to the Champlain Bridge, have been developed in recent years. Notably, since 2009, a post-tensioning system has been intensively installed on the Champlain Bridge. Post-tensioning allows the tensioning of huge steel rods which compress the bridge concrete, whether at pier caps, girders, or at the deck. This steel skeleton ensures the reinforcement and durability of the bridge's structural components.

In addition, a new reinforcement technique, namely the installation of carbon fibre on the side of the girders, has been in the process of being installed since 2013. Carbon fibre is light, can be installed quickly, and represents a high level of efficiency for the tensile support of concrete.

The queen post installation program has also been revised and replaced by the fabrication and installation of more efficient preventive modular trusses. The installation of these modular trusses is expected to begin during fiscal year 2014–2015.

These modular trusses represent a measure that adds to all the measures developed for the Champlain Bridge and aims at keeping it operational and safe from now until its replacement.

PLANNING HINDRANCES ON THE NETWORK: THE BLITZES

For the Champlain Bridge, the vast majority of work, that is 85%, is carried out without impact on traffic.

To minimize the impact on traffic, the remaining work is concentrated at night, during the summer, or on weekends. JCCBI has invested a lot of effort in this regard in order to optimize every weekend intervention. This work, carried out 24 hours a day and involving several contractors and workers in the same corridor, began in 2010.

Qualified as a "blitz," this intervention management has become the modus operandi used by JCCBI every year to avoid a multiplication of traffic interventions on its entire network.

Advanced TECHNOLOGY in Place

COMMITMENT

In accordance with its mission, JCCBI is committed to ensuring users the safe passage of users on its infrastructure by optimizing traffic flow and respecting the environment.

WIDE RANGE OF SOLUTIONS FOR IMPROVING TRAFFIC FLOW

To minimize the impact of its interventions on mobility, JCCBI plans its major construction projects several months in advance, in conjunction with its partners. As mentioned earlier, JCCBI establishes, every year, a schedule of intensive work blitzes which take place at night, on weekends, or during the construction holiday.

In 2013–2014, a series of mitigation measures has been implemented on its network for the major construction projects, including planning and coordinating the construction of a dedicated bus lane on Marc Cantin Street along the Bonaventure Expressway. This new dedicated bus lane allowed priority access to buses during the major work carried out on the Bonaventure Expressway.

During the major works on the Honoré Mercier Bridge, the integration of a dedicated lane has also facilitated bus access to the bridge in the morning. The addition of passenger cars on the Candiac railway line and of buses on the network also helped encourage public transit. A pilot project also revealed the impact of prohibiting trucks from circulating during rush hours in order to ease traffic. This measure, which had a positive impact, will be implemented during the major work scheduled at the Honoré Mercier Bridge in the summer of 2014.

RESPECTING THE ENVIRONMENT

- **Environmental Measures Related to Nuns' Island Bypass Bridge Project**

In May 2013, the Nuns' Island Bypass Bridge Construction Project was subjected to an environmental assessment in accordance with the requirements of the *Canadian Environmental Assessment Act* of 2012 (CEAA) and of the Quebec *Environment Quality Act*.

In addition to the measures adopted by JCCBI to mitigate the noise emanating from the construction site and impact thereof on air quality, the Corporation participated in the funding of a compensation project to create new wildlife habitats. More specifically, the project enabled the construction of a dike to protect the Îles-de-la-Paix from wave erosion and thus recreate fish habitats.

It should be noted that the location of the bypass bridge was chosen particularly to reduce the influence it could have on the water as well as the number of piers needed for its construction.

TREATMENT OF GROUNDWATER NEAR THE BONAVENTURE EXPRESSWAY

During this fiscal year, a call for tenders was launched following the signing of an agreement with the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques (MDDELCC) for a design-build-finance-maintain-operate (DBFMO) project to contain and treat groundwater of the Bonaventure Expressway West Sector.

In partnership with the City of Montreal and the MDDELCC, JCCBI also awarded a contract for a feasibility study on the extraction of hydrocarbons and containment of the groundwater of the Bonaventure Expressway East Sector and of the Parc d'entreprises de la Pointe-Saint-Charles.

Keeping OUR PROMISES

5.3 ARCHITECTURE BY PROGRAM ACTIVITY

GOVERNMENT OF CANADA OUTCOME
A strong economic growth

SAFE AND EFFICIENT PASSAGE ON THE INFRASTRUCTURE
maintained, operated, and managed by The Jacques Cartier and Champlain Bridges Incorporated

MANAGEMENT OF FEDERAL BRIDGE,
highway, and tunnel infrastructure and properties in the Montreal area

5.4 FIVE-YEAR FINANCIAL SUMMARY

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

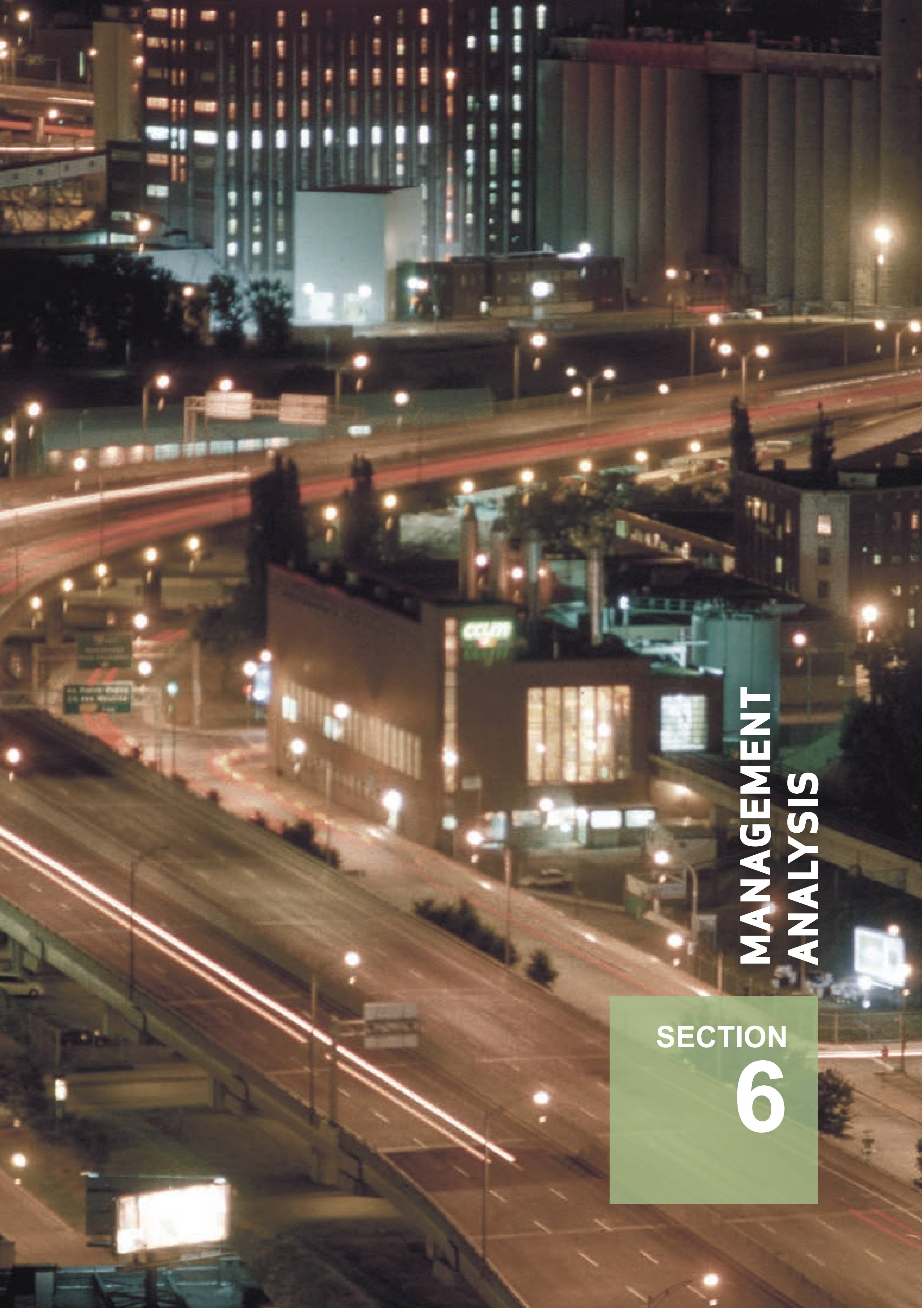
	2014	2013	2012	2011	2010
REVENUES					
Leases and Permits	$1.3	$0.8	$0.8	$0.8	$0.8
Interests	0.4	0.3	0.2	0.1	-
Other Revenues	-	-	-	-	-
Total Revenues	**1.7**	**1.1**	**1.0**	**0.9**	**0.8**
EXPENSES					
Maintenance	76.8	60.8	63.2	54.6	32.4
Operations	4.2	4.0	3.9	3.9	3.9
Administration	9.0	6.9	6.6	6.0	5.6
Environmental Obligations	3.0	5.4	27.1	-	-
Total Expenses	**93.0**	**77.1**	**100.8**	**64.5**	**41.9**
Deficit Before Government of Canada Funding	(91.3)	(76.0)	(99.8)	(63.6)	(41.1)
Portion of Transfer Payments for Operating Expenses	76.3	58.7	64.1	57.6	36.0
Portion of Transfer Payments for Tangible Capital Assets*	102.9	56.1	-	-	-
Funding from FBCL	2.3	2.6	2.6	2.3	-
Amortization of Deferred Contributions Related to Tangible Capital Assets**	-	-	7.5	5.5	4.6
Annual Operation surplus (deficit)* **	**$90.2**	**$41.4**	**$(25.6)**	**$1.8**	**$(0.5)**

NOTE:

* The presentation of transfer payments for capital assets was changed in 2013 in order to be presented in the results instead of being presented under Deferred Contributions Related to Capital Assets in the Statement of Financial Position, as indicated in Chapter SP3410 (Transfer Payments) of the Canadian Public Sector Accounting Standards.

** The Amortization of Deferred Contributions Related to Capital Assets does not exist anymore, following the adoption of Chapter SP3410 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 federal sales tax (GST), the latter is entitled to a partial refund of the PST, namely 62.8%, effective January 1, 2014.



SECTION 6

MANAGEMENT ANALYSIS

6.1 OPERATING CONTEXT

In carrying out its mission, JCCBI is affected by internal and external factors which highlight its strengths, generate opportunities, create challenges, and impact its key risks.

After having identified these factors, the Corporation monitors them and adapts its planning in order to be able to address significant fluctuations. The factors listed below may have an effect on JCCBI's activities.

Making a Difference in the Daily Lives of THOUSANDS OF USERS


1957

6.1.1 SUPPORT OF GOVERNMENT DIRECTION FOR EXPENDITURE RESTRAINT

The Government of Canada is committed to being fiscally prudent and accountable. It expects all federal organizations to adopt the spirit and intent behind these initiatives. JCCBI continues to be vigilant with regard to the use of public funds and aligns with the government direction for expenditure restraint. The Corporation implemented the following measures:

I. Changes to voluntary severance benefits: JCCBI has decided to end voluntary severance benefits for managers and non-unionized employees. The agreement of the white collar workers bargaining unit with regards to unionized employees was also obtained;

II. Salaries and other benefits: JCCBI will continue to take the federal government directions into consideration when reviewing compensation issues;

III. Return to balanced budgets: As part of the savings identified in Budget 2012 and starting in 2013–2014, JCCBI has reduced expenditures by $527,000 annually and will continue to do so in the years to come through the non-renewal of the insurance policy covering the structures.

6.1.2 TRAFFIC PATTERNS

Several factors contribute to increasing traffic on the Greater Montreal Area road network. As this network is fully integrated, traffic on every bridge managed by JCCBI has an overall impact on all access.

Traffic patterns are influenced by the following:

- relocation of a large number of families to the South Shore, which results in an increase in traffic during rush hours, namely from 5 a.m. to 9 a.m. towards Montreal and from 3 p.m. to 7 p.m. towards the South Shore;
- transportation of goods and merchandise by truck, which has increased at the expense of rail, day and night, especially on the Champlain Bridge. The percentage of trucks using the Champlain Bridge reflects this reality: It is approximately 9% to 10%, compared to 4% to 5% for the Jacques Cartier and Honoré Mercier Bridges.

The network is, in many sectors in the Greater Montreal Area, operating beyond capacity. However, major infrastructure is aging and, in some cases, shows advanced signs of deterioration. In this context, any disturbance attributable to work or incidents results in:

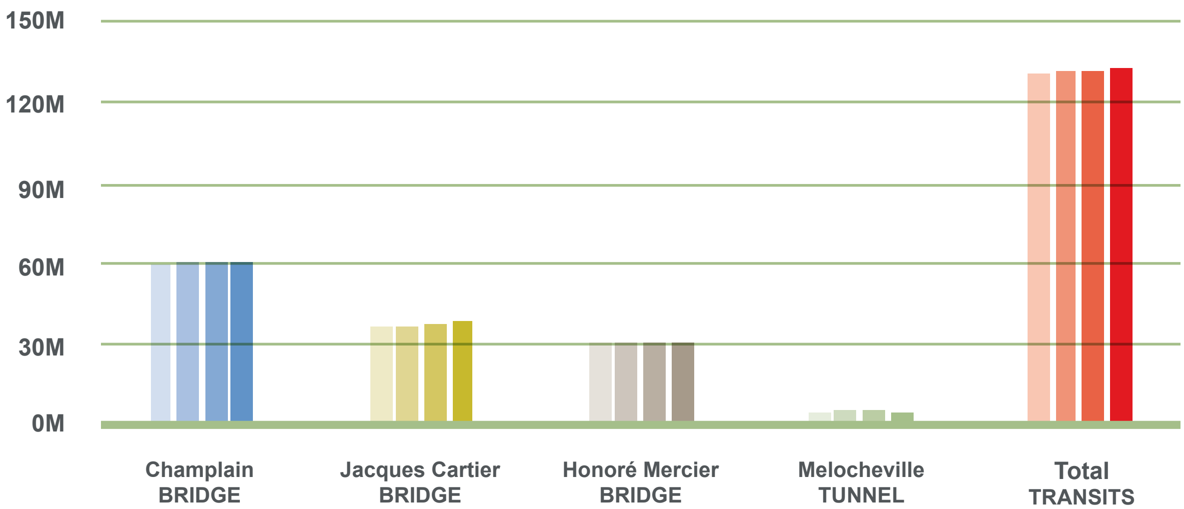
- extended rush hours;
- higher costs for the work which is carried out, mostly, outside these periods.

Fulfilling our MISSION in a Context of Accelerated Development

TRANSITS ON BRIDGES

The following chart illustrates the transits on the structures managed by JCCBI. The figures, particularly stable, are consistent with our latest counts and with a summary assessment of the increase in traffic on our network.

(M = millions of transits)



NUMBER OF TRANSITS

	2009–2010	2010–2011	2011–2012	2012–2013
Champlain Bridge	59,400,000	59,994,000	59,994,000	59,994,000
Jacques Cartier Bridge	35,800,000	36,158,000	36,881,000	37,762,000
Honoré Mercier Bridge	30,000,000	30,300,000	30,300,000	30,300,000
Melocheville Tunnel	4,600,000	4,646,000	4,646,000	4,414,000
Total Transits	**129,800,000**	**131,098,000**	**131,821,000**	**132,470,000**

The completion of Highway 30 in December 2012 was supposed to divert traffic, particularly commercial traffic, away from the heart of Montreal. The MTQ is currently assessing this real impact on traffic. JCCBI should have a better idea of the real impact in the coming years.

In the short term, however, the completion of Highway 30 has served as a bypass during the implementation of some particularly important construction projects. It also offers new options for road users and allows more flexibility in the planning of JCCBI's construction projects, mainly in the Honoré Mercier Bridge Corridor.

6.1.3 STAKEHOLDER RELATIONSHIPS

JCCBI coordinates and plans its activities in collaboration with various stakeholders, thus adding a level of complexity to its operations.
The following are the main partners in various contexts of activity:

Context	Stakeholders
ADJACENT TRAFFIC NETWORKS The coordination of work and bridge closures requires regular communications with partners.	• The Sûreté du Québec, which polices the Jacques Cartier and Champlain Bridges, the Bonaventure Expressway, Highway 15, and the Champlain Bridge Ice Control Structure under the terms of a contractual agreement • MTQ • Municipalities • Service de police de la Ville de Montréal • Société de Transport de Montréal (STM) • Agence métropolitaine de transport (AMT), which operates the reserved bus lane on the Champlain Bridge • Conseil intermunicipal de transport du Sud-Ouest • Réseau de transport de Longueuil (RTL) • Mobilité Montréal
LABOUR MARKET (ENGINEERING/CONSTRUCTION) Major metropolitan construction projects compete with JCCBI in the recruitment of engineers and the awarding of contracts to engineering firms and contractors for the planning and execution of its work.	• Municipal authorities • MTQ
MEDIAS AND ROAD USERS Communication with users is essential to allow motorists to better plan travel. JCCBI must also explain the nature of its interventions to reassure the public about the condition of the structures.	• General public • Media
ABORIGINAL COMMUNITY OF KAHNAWAKE Planning or carrying out the work on the Honoré Mercier Bridge, which spans the Mohawk Territory of Kahnawake, involves contractors and workers in the community.	• Mohawk Council of Kahnawake

Sustaining
STRONG
Partnerships

Context	Stakeholders
SPECIAL MANAGEMENT OF THE HONORÉ MERCIER BRIDGE The Honoré Mercier is under both federal and provincial jurisdictions. • Federal jurisdiction: portion of the bridge over the Seaway and adjacent island (Maline Island), as well as access ramps built on the South Shore. • Provincial jurisdiction: portion of the bridge that spans the St. Lawrence River. Regular maintenance of the bridge, including traffic management, towing services, snow removal, and de-icing operations, fall under the MTQ's mandate for the entire bridge.	• MTQ
CONSTRUCTION OF A NEW BRIDGE FOR THE ST. LAWRENCE The work carried out by JCCBI must be compatible with the construction of the new bridge for the St. Lawrence. Given the scope, schedule, and procurement model of the project, this collaboration is even more important.	• INFC
CONTRACT MANAGEMENT ON PROJECTS RELATED TO THE NEW BRIDGE FOR THE ST. LAWRENCE JCCBI was mandated to coordinate some related projects, including the construction of a bypass bridge (temporary causeway-bridge) to replace the existing Nuns' Island Bridge. The contract documents were prepared and the tendering process was conducted in conjunction with Public Works and Government Services Canada (PWGSC). The design of this bypass bridge was prepared in an extremely short time frame and required the coordination of various stakeholders.	• PWGSC • INFC
NEIGHBOURING MUNICIPALITIES Beyond road users, JCCBI must consider the individuals or enterprises that may be affected by major construction projects.	• Mayors • Mohawk Territory of Kahnawake • Residents • Adjacent enterprises (e.g., Casino de Montréal, VIA Rail, Bell Canada)

6.1.4 FRAUD AND CORRUPTION

As a federal agency, JCCBI has put all the necessary procedures in place to ensure that contracts are awarded transparently and comply with all procurement laws and regulations. This is particularly important given the context of public perception and testimony given in the framework of the Charbonneau Commission in the Province of Quebec.

AWARD OF CONTRACTS TO ENGINEERING FIRMS AND CONTRACTORS

The following mitigating measures were implemented:

- Internal audits under the supervision of JCCBI's Board of Directors Audit Committee;
- Incorporation, in our tender documents for construction contracts, of PWGSC's contract clauses regarding probity and of excerpts from the *Code of Conduct for Procurement* issued by PWGSC. The contract clauses provide for the rejection of the tender of a tenderer who holds a "limited" licence within the meaning of the *Building Act* (Quebec), or who would be ineligible for public contracts under the *Act Respecting Contracting by Public Bodies* (Quebec). They also prohibit tenderers from retaining the services of a subcontractor who holds such a "limited" licence;
- Creation of a document to guide evaluation committees in Requests for Proposals for professional services. JCCBI evaluates and documents the performance of the professional services firms as well as that of contractors.

CONDUCT OF JCCBI'S EMPLOYEES

All employees and members of the Board of Directors must comply with JCCBI's directives on conflicts of interest, administration of construction, consultants, or professional services contracts, as well as with the federal *Values and Ethics Code for the Public Service*.

In 2013, JCCBI updated a directive in order to establish clear rules of conduct regarding forms of remuneration, whatever they may be, so that there is no possibility of interpretation. In addition, all employees attest, every year, that they have acted in conformity with the conflict of interest rules.

ACTING
RIGOROUSLY

6.1.5 ENVIRONMENTAL OBLIGATIONS

With the change in JCCBI's status from subsidiary Crown corporation to parent Crown corporation in February 2014, JCCBI becomes a "Federal Authority" within the meaning of the CEAA.

However, the repair and rehabilitation projects undertaken by the Corporation on its structures do not constitute "Designated Projects" within the meaning of the CEAA and are therefore not subject to the environmental assessment process, unless they are the subject of a specific designation by the Minister of the Environment, as provided in the CEAA (projects which may cause adverse environmental effects or public concerns with regard to these effects). It should be noted in this regard that JCCBI's repair and rehabilitation projects, by nature, have little impact on environment and are subject to mitigation measures.

Furthermore, the Corporation is subject to the *Migratory Birds Convention Act 1994* and *Migratory Birds Regulations* thereof, which dictates that no person shall disturb, destroy, or take a nest or an egg of a migratory bird except under authority of a permit therefor. Some migratory birds nest on the Corporation's structures, particularly the peregrine falcon and the cliff swallow. The Corporation has implemented an avifauna management plan and sees to the filing, when required, of the permit applications prescribed in this Act.

Finally, JCCBI participates in the *Federal Contaminated Sites Action Plan* (FCSAP), administered by Environment Canada, for the implementation of the mitigation measures required to contain and treat contaminated groundwater on lands in the Bonaventure Expressway Sector (West and East Sectors) in Montreal and along the St. Lawrence River. JCCBI works in partnership with owners and stakeholders to study the contamination of groundwater in that sector and to implement mitigation plans. The Environmental Plan for the East and West Sectors is prepared with these partners.

Being Environmentally RESPONSIBLE

6.2 STRATEGIC ISSUES AND RISKS

STATUS OF JCCBI

As a parent Crown corporation, JCCBI must meet the requirements of and comply with the obligations set out in the various legislations that apply to all Crown corporations.

BRIDGE SAFETY

The Corporation's priority is to ensure safety at all times of all its structures. It judiciously administers its programs for bridges in order to extend their service life as much as possible.

The bridges are old and have been subjected to years of heavy traffic, climatic conditions, and heavy use of road salt. In addition to major work completed or underway, these structures will require major work over the next decade. Traffic congestion on all South Shore bridges has an impact on JCCBI's ability to carry out major work during normal working hours, which has a direct impact on the planning, execution, and cost of work. Major rehabilitation work is planned or underway on all structures where signs of degradation increase safety risks. Long-term planning as well as communication and sharing of information with our stakeholders are ongoing.

Intentional acts such as terrorism, protests, and vandalism are risks that JCBBI must consider for the safety of its users and the lifespan of its structures. Regular follow-up meetings and collaborative plans with the police address these risks. JCCBI has set up contingency plans for emergency situations and several bridges and structures are equipped with monitoring systems, or agreements have been concluded with our partners in this regard.

SUSTAINABLE FUNDING

In this decision making, JCCBI must constantly consider its decisions on how best to use available resources to protect the property under its management and its mission to ensure a safe passage on its structures.

All expenditures for structures managed by JCCBI are funded by government appropriations. In Budget 2014, the Government of Canada approved funding for JCCBI for the next five years. Financial viability remains a driving force in all decisions. As the lifecycle of the Corporation's structures extend beyond their intended service life, resources are used primarily to perform the maintenance and rehabilitation required for safety. Users' safety always comes first when JCCBI prioritizes works to be carried out and mitigates inherent risks. The work is defined and planned in the context of available resources.

For the projects relating to the contaminated groundwater of the Bonaventure Expressway Sector, JCCBI has received funding from Budget 2014 for the next five years. Furthermore, JCCBI has also received funding from FCSAP, which was renewed in 2011 for a three-year period. This program was not structured to accommodate the needs of long-term projects, as the FCSAP only allows projects of a maximum duration of three years. This poses a real challenge, as the projects relating to contaminated groundwater require a long-term action plan. The need for long-term funding over a fifteen-year period, which corresponds to the scheduled operating term of the DBFMO contract for the West Sector, currently in the tendering process, is imperative.

INFORMATION TECHNOLOGIES

In order to generate timely and reliable financial and management information, JCCBI's operations must be supported by tools that are effective and tailored to meet its realities. Current systems do not adequately support these processes, particularly with respect to project management, and this has a significant impact on the reliability and availability of the information generated. The introduction of new management software tools is imperative to ensure the Corporation's services, but also to reduce the pressure on human capital.

With the help of specialized firms, JCCBI has identified the most appropriate solutions to support its processes and ensure that all information technologies components (technology infrastructures, systems, and data) are in place in order to ensure the achievement of its strategic goals.

Consequently, in 2014, JCCBI will deploy, in two phases, an integrated management information system for the main functions, as well as an integration layer and a geomatics of structures. In 2015, JCCBI will deploy electronic document management software that will help digitize physical records.

Placing SAFETY at the Centre of Our Concerns

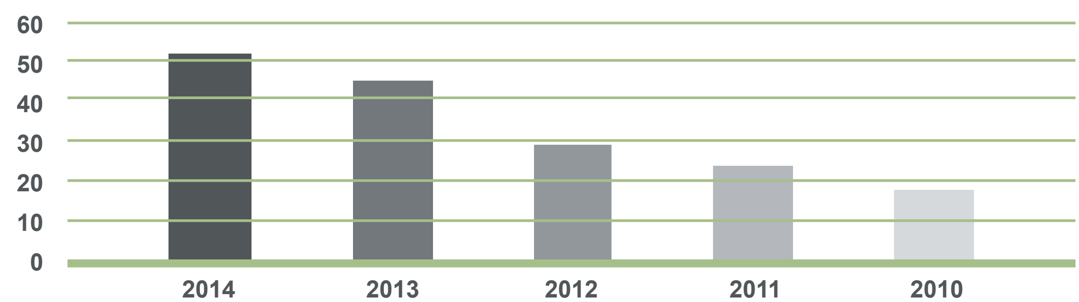
6.3 ANALYSIS OF RESULTS

6.3.1 STATEMENT OF FINANCIAL POSITION

FINANCIAL ASSETS

Total financial assets amounted to $51.3 M as at March 31, 2014 ($45.1 M in 2013). The main reason for the increase of $6.2 M in financial assets is the amounts which are due from entities other than the Government of Canada. The cash position remains closely linked to the payments of these federal government parliamentary appropriations. As at March 31, 2014, the amount receivable from federal departments and agencies was $26.7 M ($19.6 M in 2013).

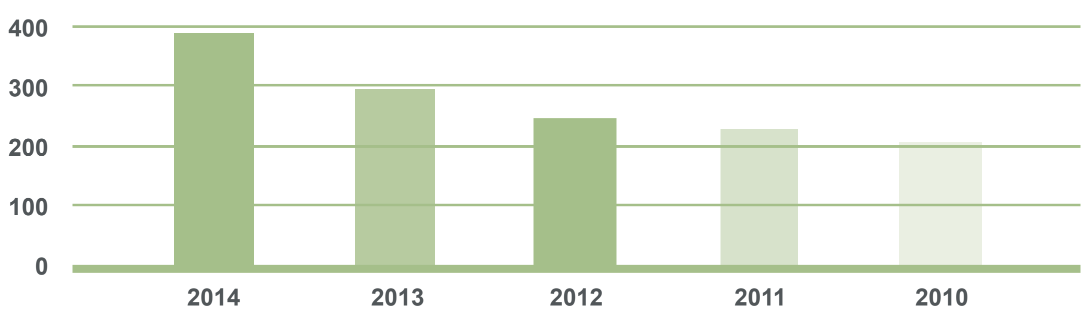
Financial Assets (in $M)



NON-FINANCIAL ASSETS

Non-financial assets total $383 M ($290 M in 2013), an increase of $93 M during the period ($47.8 M increase in 2013). This increase is mostly due to tangible capital assets, which total $382.2 M ($289.3 M$ in 2013), a $92.9 M increase over the previous fiscal year (increased by $47.5 M in 2013). The major investments for the year mainly comprise capital works at the Jacques Cartier Bridge ($15.4 M), at the Champlain Bridge ($16 M), at the Honoré Mercier Bridge ($19.8 M), work for the new Nuns' Island bypass bridge (temporary causeway-bridge), and work on Highway 15 ($34.9 M), as well as rehabilitation work on the Bonaventure Expressway ($12.6 M). These capital assets are almost entirely paid directly through parliamentary appropriations from the Government of Canada. The amortization for the period, in the amount of $12.3 M ($9.8 M in 2013), reduces the investment in the period for tangible capital assets.

Non-financial Assets (in $M)



LIABILITIES

Liabilities, totalling $85.7 M ($76.7 M in 2013) have increased by $9 M during the period ($204.1 M decrease in 2013). This increase is mainly due to Items *Environmental Obligations, Contractual Holdbacks and Accounts Payable, and Accrued Liabilities – Other*.

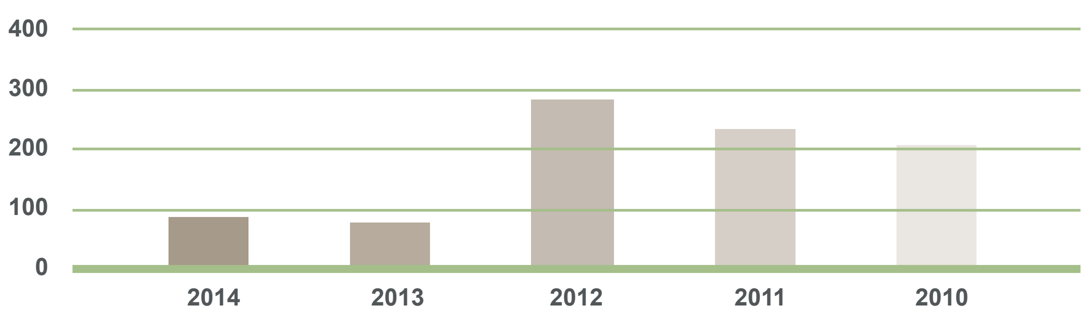
Environmental obligations related to contaminated sites, which are explained in Note 7 to the Financial Statements, increased by $2.7 M during the current fiscal year ($5.1 M in 2013) and amounted to $35.9 M ($33.2 M in 2013). The cost estimate is based on the latest studies for these sites as updated by JCCBI. The containment and treatment of groundwater require the participation of several owners and negotiations are underway for a portion of the works.

To perform the works on its structures, the Corporation awarded construction contracts which provide for the withholding of a portion of the amounts payable until certain work is completed in compliance with the requirements of the construction contract, or as warranty. These contractual holdbacks totalled $9.5 M as at March 31, 2014 ($7.1 M in 2013), mainly for projects at the Honoré Mercier and Champlain Bridges. A portion of these amounts will become payable when an Interim Certificate of Completion is issued and another portion will become due around one year later, after the expiration of the warranty period.

Accounts Payable and Accrued Liabilities – Other have increased by $3.4 M during the current fiscal year ($15.7 in 2013) and total $38.4 M ($35 M in 2013). The change is mainly due to the increase in the Corporation's major maintenance program.

The Corporation receives funding from the Government of Canada. In the past, funding for tangible capital assets was deferred and amortized over the service life thereof. As at March 31, 2012, this value was $227.1 M. However, following the adoption of the Canadian public sector accounting standards, in particular Chapter SP3410 (Transfer Payments), this funding is now recognized as income in the period during which it is received. Consequently, the balance of Item Deferred Contributions Related to Tangible Capital Assets of the previous year was added to the accumulated surplus of fiscal year 2013. This had the immediate effect of reducing the total liabilities of the Corporation by $227.1 M and of increasing the accumulated surplus.

Liabilities (in $M)

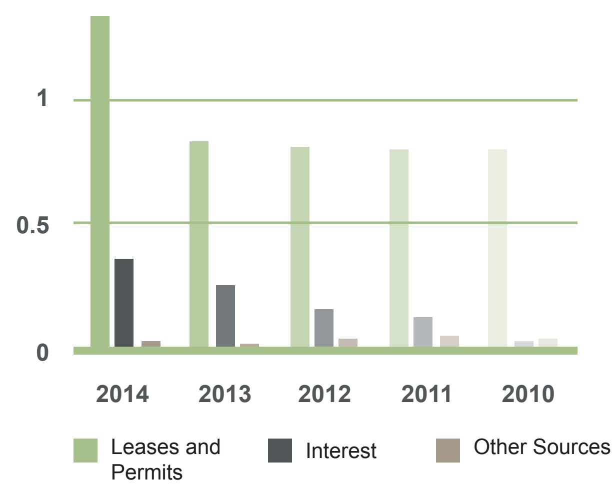


6.3.2. STATEMENT OF OPERATIONS

REVENUES

The Corporation's income in 2014 was $1.7 M ($1.1 M in 2013), an increase of $0.6 M over the previous fiscal year ($0.1 M increase in 2013).

Revenues by Source (in $M)



LEASES AND PERMITS

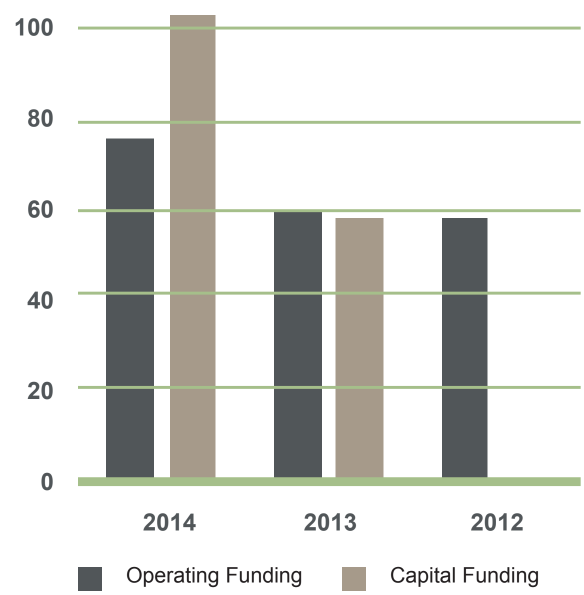
The income from leases and permits increased by $0.5 M in 2014 ($0 in 2013) to total $1.3 M ($0.8 M in 2013). These revenues have not only increased by an amount corresponding to the annual inflation rate, but also by the revenues from billboards, now recognized in the Corporation's income following the transfer of FBCL's contract to the Corporation, which took effect on February 1, 2014.

PARLIAMENTARY APPROPRIATIONS

Since 2013, there was a change in the way public funding for capital projects is recognized. In the past, public funding for capital projects was deferred and amortized over the life of the tangible capital asset thereto related, which made a reconciliation of revenues and expenses possible. With the adoption of Chapter SP3410 (Transfer Payments) in 2013, funding received for capital projects is no longer treated as a liability, but is now recognized as income in the period when it is due. Therefore, the recognition for parliamentary appropriations in the Statement of Operations, compared to the years prior to 2013, shows $102.9 M in 2014 and $56.1 million in 2013 compared to previous years. The parliamentary appropriations for operating expenses in 2014 are $76.3 M ($58.7 M in 2013).

Parliamentary appropriations for these capital assets were allocated mainly to work at the Jacques Cartier Bridge ($15.4 Million), at the Champlain Bridge ($16 M) and at the Honoré Mercier Bridge ($19.8 M) as well as to work for a new bypass bridge (temporary causeway-bridge) for Nuns' Island, other work on Highway 15 ($34.8 M), and rehabilitation work on the Bonaventure Expressway ($12.6 M).

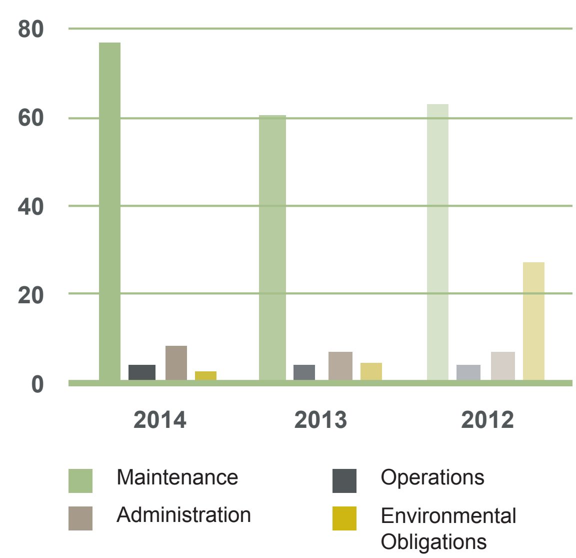
Parliamentary Appropriations (in $M)



EXPENSES

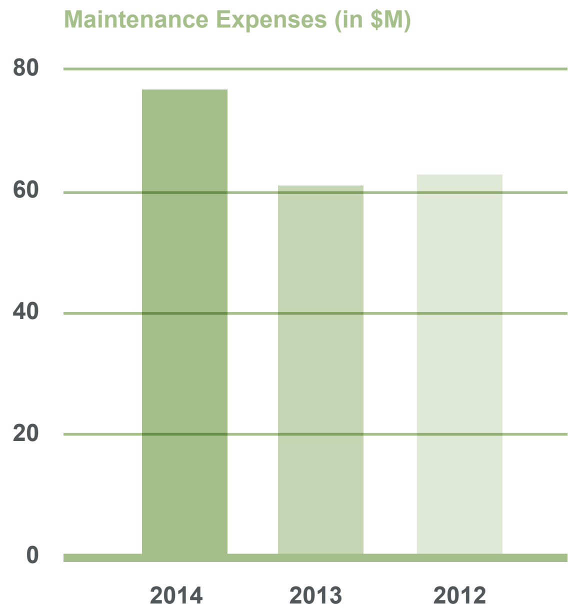
The Corporation's expenses totalled $93 M ($77.1 M in 2013). The $15.9 M increase in expenses ($23.7 M decrease in 2013) is mainly due to a $16 M increase in maintenance expenditures ($2.4 M decrease in 2013).

Total Expenses (in $M)



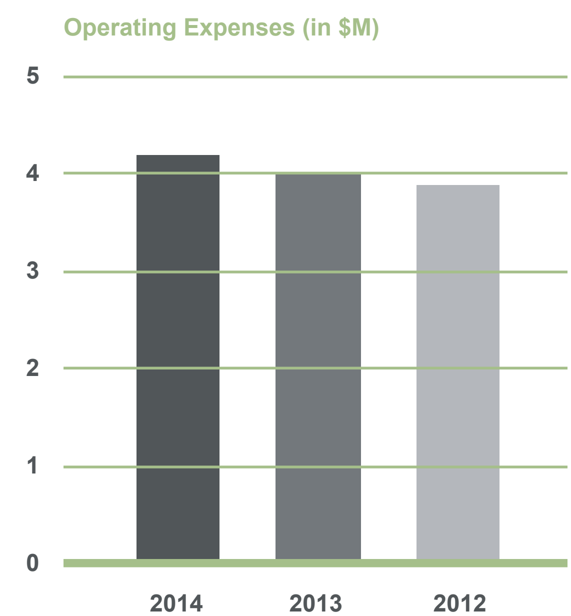
MAINTENANCE

The $76.8 M maintenance expenses ($60.8 M in 2013) represent an increase of 26.3% over the previous year's expenses (3.8% decrease in 2013). The variance is mainly due to the increase in the Corporation's major maintenance program and to the application of the Corporation's capitalization policy, which is directly related to the nature of the work performed.



OPERATIONS

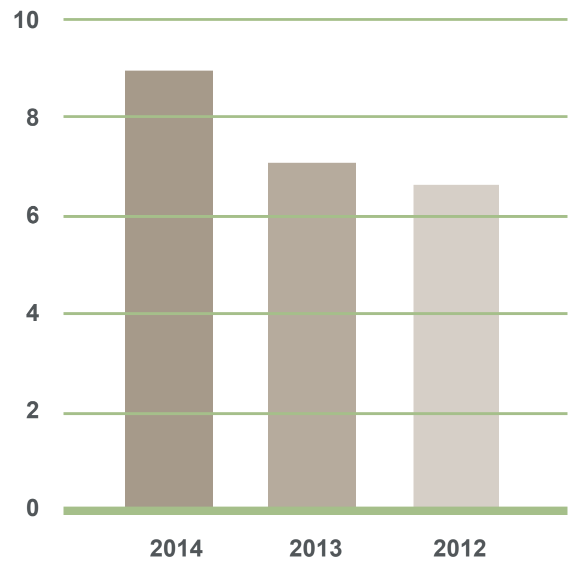
Operating expenses totalled $4.2 M ($4 M in 2013), an increase of 5% over the previous year (2.6% in 2013). Except for inflation, the operating expenses have remained relatively constant during the last fiscal years.



ADMINISTRATION

Administration expenses totalled $9 M ($6.9 M in 2013), an increase of 30.4% over the previous fiscal year (4.5% in 2013). The variance is mainly due to the $1 M increase in payroll, due to the addition of several positions in the various departments of JCCBI in order to develop an increased capacity to achieve its strategic outcome as early as 2013. Other costs mainly explain this increase, including legal costs, which are higher than those of the previous year by $0.5 M. These costs mostly relate to governance, following the change in JCCBI's status and the increase in the number of calls for tenders. Recruitment costs of $0.3 M stem from the rapid increase in manpower.

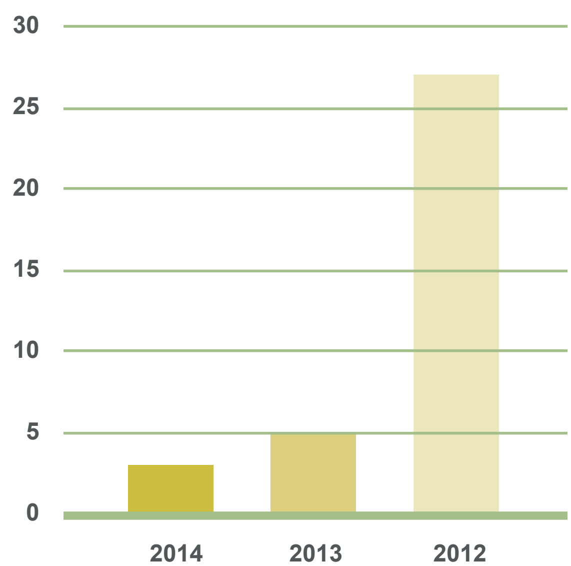
Administrative Expenses (in $M)



ENVIRONMENTAL OBLIGATIONS

An amount of $3 M ($5.4 M in 2013), including an additional provision for the Environmental Obligations in the amount of $2.7 M in the current fiscal year ($5.1 M in 2013), was recognized as expenses by the Corporation. In 2012, an additional provision, in the amount of $27.1 M, had been recorded as surplus to the $1 M recognized during a previous fiscal year. This represents the Corporation's estimated share of the expenditures estimated for the mitigation measures required to contain and treat contaminated groundwater on lands in the Bonaventure Expressway Sector. These projects will be spread over several years.

Environmental Obligations Expenses (in $M)



6.3.3 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 will be received. This funding is issued only upon request after recognition of the assets acquired for the work, as well as the goods and services received.

6.3.4 ACCOUNTING POLICIES AND ESTIMATES

The Corporation's main accounting policies are described in Note 2 to the Financial Statements. The preparation of Financial Statements in accordance with the CPSAS requires management to use estimates and make assumptions which impact the reported amounts of financial and non-financial assets, liabilities, revenues, and expenses, as well as the disclosure of contingent liabilities. Actual results could differ from those estimates.

TANGIBLE CAPITAL ASSETS

Tangible capital assets, which include bridges, roads, and related structures and whose service life is limited, are amortized over their service life. The service 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 life of tangible capital assets and due to the amounts involved, any change 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 impairment of its tangible capital assets.

MAINTENANCE EXPENSES

The Corporation incurs expenses to maintain its tangible capital assets. Many of these expenses fall within the context of major multi-year infrastructure projects. In recognizing these expenses, management must make significant estimates of the work progress for 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.

EMPLOYEE FUTURE BENEFIT OBLIGATIONS

The Corporation offers pension benefits to its employees under the Public Service Pension Plan, as indicated in Note 2 and Note 5 to the Financial Statements. The employer contributions to the pension plan represent the total obligations of the employer in this regard and are recognized at the actual amount as operating expenses. The Corporation is not currently required to make contributions to offset the actuarial deficiencies of the Public Service Pension Plan. Any changes to the Public Service Pension Plan and assumptions thereof could have a material effect on the Financial Statements of fiscal years to come.

The Corporation used to offer its employees severance benefits based on the length of service and final salary. The Corporation has, during the previous fiscal year, eliminated this plan. Some employees having chosen to have their benefit paid at the time of their departure on the basis of the final salary; these amounts will be paid at the time of termination of employment, out of the parliamentary appropriations at the time of disbursement. These benefit plans are not funded. It is expected that the Corporation's accrued severance benefits will be paid from appropriations as they become due. Any change in this assumption could impact the Financial Statements of fiscal years to come.

ENVIRONMENTAL OBLIGATIONS

Under item *Environmental Obligations*, the Corporation recognized a significant liability for the containment and treatment of contaminated groundwater on lands in the Bonaventure Expressway Sector, as indicated in Note 7 to the Financial Statements. The estimates forming the basis for this liability include the number of owners and participants involved and the long-term nature of the required containment and treatment measures. Changes in the magnitude of the costs estimated for one or several of the estimates could have a material effect on the Financial Statements. A liability of $35.9 M is currently recorded, based on the estimates provided by management. Changes in these estimates could have a material effect on the Financial Statements of fiscal years to come.

CONTINGENCIES

In the normal course of its operations, the Corporation is subject to claims or lawsuits, the outcome of which it cannot predict with certainty. Management made, in the accounts involved, provisions which it deems to be 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 works that the Corporation had carried out on its behalf and that of a partner and for which expenses were shared, the Corporation filed, on November 23, 2012, a claim against its partner for additional costs incurred or to be incurred by the Corporation and resulting from decisions made by said partner. At present, management considers that it is impossible to estimate the financial impact of this claim.

CHANGE IN ACCOUNTING POLICY

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION 60

INDEPENDENT AUDITOR'S REPORT 61

FINANCIAL STATEMENTS 62

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014 66

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

SECTION 7

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Jacques Cartier and Champlain Bridges Incorporated (the "Corporation") management is responsible for preparing the Financial Statements in accordance with 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, 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 Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act*, *The Jacques Cartier and Champlain Bridges Incorporated Regulations*, and the *Canada Marine Act*, as well as the Corporation's articles and bylaws.

The Board of Directors is made up of four directors and 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 performing 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 Acting Chief Executive Officer,

Glen P. Carlin, Eng.

June 16, 2014

Auditor General of Canada
Vérificateur général du Canada

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 2014, 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 the design audit procedures that are appropriate in the circumstances, but not 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 2014, and the results of its operations, changes in 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* and the *Canada Marine Act* and the articles and bylaws of The Jacques Cartier and Champlain Bridges Incorporated.

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

16 June 2014
Montréal, Canada

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31

	2014	2013
	$	$
FINANCIAL ASSETS		
Cash	14,273,961	21,820,474
Accounts receivable		
• Due from FBCL	3,005,964	2,637,000
• Due from the Government of Canada	23,667,621	16,943,101
• Other	10,317,788	3,702,629
Total Financial Assets	**51,265,334**	**45,103,204**
LIABILITIES		
Accounts payable and accrued liabilities		
• Due to FBCL	421,898	-
• Other suppliers	38,392,709	34,963,357
Employee future benefits (Note 5)	1,161,439	1,183,170
Contractual holdbacks (Note 6)	9,536,511	7,070,523
Deferred revenue	351,836	329,973
Environmental obligations (Note 7)	35,861,000	33,200,000
Total Liabilities	**85,725,393**	**76,747,023**
Net Debt	**(34,460,059)**	**(31,643,819)**
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	382,220,826	289,327,212
Prepaid expenses	787,985	638,822
Total Non-Financial Assets	**383,008,811**	**289,966,034**
Accumulated Surplus	**348,548,752**	**258,322,215**

CONTINGENCIES AND CONTRACTUAL COMMITMENTS (NOTES 10 AND 11)

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

Approved by the Board of Directors:

Director

Director

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31

	2014	2014	2013
	Budget	Actual	Actual
	$	$	$
REVENUES			
Leases and permits	895,000	1,328,457	834,477
Interests	165,000	354,415	240,575
Other sources	-	19,335	12,334
Total Revenues	**1,060,000**	**1,702,207**	**1,087,386**
EXPENSES (NOTE 14)			
Maintenance	123,041,000	76,857,469	60,840,324
Operations	4,108,000	4,170,645	3,987,868
Administration	6,541,000	8,994,934	6,920,254
Environmental obligations	364,000	2,990,121	5,402,311
Total Expenses	**134,054,000**	**93,013,169**	**77,150,757**
Deficit before Government of Canada funding	(132,994,000)	(91,310,962)	(76,063,371)
Parliamentary appropriations for operating expenses (Note 13)	122,088,000	76,329,498	58,743,568
Parliamentary appropriations for tangible capital assets (Note 13)	132,421,000	102,948,982	56,081,084
Funding from FBCL	2,689,000	2,259,019	2,637,000
Annual Operating Surplus	**124,204,000**	**90,226,537**	**41,398,281**
Accumulated Operating Surplus, Beginning of the Year	**279,812,000**	**258,322,215**	**216,923,934**
Accumulated Operating Surplus, End of the Year	**404,016,000**	**348,548,752**	**258,322,215**

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

STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31

	2014	2014	2013
	Budget	Actual	Actual
	$	$	$
Annual Operating Surplus	**124,204,000**	**90,226,537**	**41,398,281**
Acquisition of tangible capital assets (Note 8)	135,110,000	105,208,001	(57,313,367)
Amortization of tangible capital assets (Note 8)	11,853,000	12,314,387	9,818,572
Total variation due to tangible capital assets	**(123,257,000)**	**(92,893,614)**	**(47,494,795)**
Acquisition of prepaid expenses	-	(1,338,196)	(1,461,190)
Use of prepaid expenses	-	1,189,033	1,171,820
Total variation due to prepaid expenses	**-**	**(149,163)**	**(289,370)**
Decrease (Increase) in Net Debt	947,000	(2,816,240)	(6,385,884)
Net Debt, Beginning of the Year	(26,386,000)	(31,643,819)	(25,257,935)
Net Debt, End of the Year	**(25,439,000)**	**(34,460,059)**	**(31,643,819)**

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

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31

	2014	2013
	$	$
OPERATING TRANSACTIONS		
Annual operating surplus	90,226,537	41,398,281
Adjustments for non-cash items:		
• Amortization of tangible capital assets (Note 8)	12,314,387	9,818,572
• (Decrease) increase in employee future benefits	(21,731)	54,739
• Increase in environmental obligations	2,661,000	5,100,000
Changes in non-cash working capital items:		
• (Increase) in accounts receivable	(13,708,643)	(10,109,011)
• Increase in accounts payable and accrued liabilities	3,851,250	15,732,388
• Increase in contractual holdbacks	2,465,988	2,116,582
• Increase (decrease) in deferred revenue	21,863	(6,389)
• (Increase) in prepaid expenses	(149,163)	(289,370)
Cash Flow Provided by Operating Transactions	**97,661,488**	**63,815,792**
CAPITAL TRANSACTIONS		
Acquisition of Tangible Capital Assets (Note 8)	**(105,208,001)**	**(57,313,367)**
Cash Flow Used for Capital Transactions	**(105,208,001)**	**(57,313,367)**
(Decrease) Increase in Cash	**(7,546,513)**	**6,502,425**
Cash, Beginning of the Year	**21,820,474**	**15,318,049**
Cash, End of the Year	**14,273,961**	**21,820,474**

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

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

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 Autority. On October 1, 1998, it became a wholy 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. Since this transfer, the Corporation is a parent Crown corporation listed under 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 of 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.

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 recorded as deferred revenue when stipulations lead to the creation of a liability. Revenue is recorded in the Statement of Operations as the stipulations are met. Any portion of government transfers to which the Corporation is entitled to, but has not yet received, is recorded under “Due from the Government of Canada.”

Tangible Capital Assets

Tangible capital assets are recorded at cost. Replacements and major improvements that extend the useful service lives 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 complete and amortized according to the Corporation's policy.

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

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

- Bridges and roads: between 10 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, interests, and other sources are recognized in the fiscal year in which they are earned. Revenues from leases and permits collected in advance are recorded as "Deferred Revenue" in the Statement of Financial Position. Funding from FBCL to carry out work related to certain safety criteria is recognized as revenue in the fiscal year during which the eligible work is completed.

Employee Future Benefits

- **Pension Plan**

  All employees of the Corporation are covered by the Public Service Pension Plan (the “Plan”). It is a contributory defined benefit plan established by law and sponsored by the Government of Canada. The Corporation and the employees 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 they represent the total pension obligation of the Corporation. The Corporation is not required by law to make up the actuarial deficiencies of the Plan.

- **Severance Benefits**

  In the past, the employees of the Corporation had acquired rights to specific benefits provided for in their conditions of employment through a severance benefit plan. The Corporation terminated this plan as of August 31, 2012, and agreed with its employees to eliminate severance benefits on the basis of various payment methods, as stipulated by Treasury Board directives. The past cost of post-employment benefits relating to severance benefits was recognized over the periods during which the employees rendered services to the entity, and the liability is recorded as “Employee Future Benefits.” Management uses assumptions and its best estimates, at present value, to calculate the value of the liability for the severance benefits.

- **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 recorded directly in current costs for the fiscal year. Unionized employees accumulate the unused days of sick leave, which are redeemable at the end of their employment with the Corporation. The Corporation records the cost of employee future benefits for sick leave as they are earned by the employees. Moreover, the Corporation records 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 recorded at present value.

Environmental Obligations

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

Financial Instruments

The Corporation identifies, assesses, and manages financial risks in order to minimize their impact on its results and financial position. Financial risks are managed in accordance with specific criteria disclosed in Note 15. The Corporation does not engage in speculative transactions or use of 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 Deferred revenue	Cost or amortized cost

Contingencies

Contingent liabilities are potential liabilities which may become actual liabilities if one or more future events occur. If it is probable that an event will occur or fail to 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 which 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 those estimates.

The most significant estimates used in the preparation of these Financial Statements are the useful life of tangible capital assets, accrued liabilities for major maintenance work and claims received from suppliers, liability for employee future benefits, environmental obligations, and contingencies.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

There is no adoption of new accounting standards affecting the Corporation's financial statements.

4. 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. The term of the permit is listed as "during pleasure" and contains a termination clause under which either the owner of 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, 2014, neither the owner of the lands nor the Corporation have 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) A permit to occupy public land was granted to the Corporation by a municipal authority for the development, construction, use, and maintenance of a temporary structure and related uses on land that it does not own. It was agreed between the parties that this permit was a temporary procedural vehicle that would eventually be replaced by a longer-term agreement. The permit of occupancy contains termination clauses which are standard for this type of permit, whereby the owner may require the removal of, or an alteration to the Corporation structures if deemed necessary in the public interest, by giving six (6) months' notice to the Corporation, at the expiration of which the permission to occupy the public domain will end. The permit provides that the Corporation must then vacate the land, failing which the municipality may evict the Corporation, at the latter's expense, without indemnity or compensation. The permit also includes the right for the Corporation to terminate the permit upon notice to the other party with the obligation to remove the structures at its expense. The construction of the structure is underway and neither the Corporation nor the owner have expressed their intention to exercise the termination clauses as of March 31, 2014. As the term or 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.

c) The Corporation holds structures erected on land it does not own, but whose owner has transferred the management and administration 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 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. Consequently, no liability related to these capital assets was recognized in the Financial Statements.

5. EMPLOYEE FUTURE BENEFITS

a) Pension Plan

All employees of the Corporation are covered by the Public Service Pension Plan, ("the Plan"). The President of the Treasury Board of Canada sets the employer's contributions, which represent a multiple of the employees' contributions. The basic contribution rate in effect at the end of the year was 7.50% (6.85% in 2013) for employees hired prior to January 1, 2013, and 6.62% (6.27% in 2013) for the other employees for each dollar contributed by employees. The total contributions recorded for the year under review amount to $850,038 ($720,972 in 2013).

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. During the previous fiscal year, the Corporation eliminated this benefit. 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 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%, a discount rate of 2.96% (2.56% in 2013), 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 $376,994 ($369,232 in 2013). To calculate this post-employment benefit, the Corporation uses a rate of compensation increase between 2% and 2.5% and a discount rate of 2.96% (2.56% in 2013) for an average life expectancy of 80 years as assumption for the end of the payment of the compensation.

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

	2014	2013
	$	$
Accrued benefit obligation, beginning of the year	1,183,170	1,128,431
Current service costs for the year	135,352	837,646
Benefits paid during the year	(157,083)	(782,907)
Accrued benefit obligation, end of the year	**1,161,439**	**1,183,170**

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 work, to ensure that the latter fulfill their obligations pertaining to warranties of rectification and correction of defects and poor workmanship in work. 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 contractual holdback (designated as “warranty holdback”) less, where applicable, any amount owed by the contractor under the terms of the contract once the warranty period has expired.

7. ENVIRONNEMENTAL OBLIGATIONS

In the past, the Corporation compiled an inventory of all its properties in order to classify their environmental condition for the purposes of prioritizing interventions. The Corporation counts a number of properties whose soils are contaminated beyond the acceptable criteria. As of March 31, 2014, the priority environmental issue for the Corporation remains 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 in proximity to a former waste fill site operated by the City of Montreal between 1866 and 1966. This former waste fill site covers several lands belonging to different owners. Since 2003, the Corporation has conducted studies and toxicity tests on the land groundwater in this location. The tests revealed a certain level of toxicity in the groundwater. Given the complexity of the issue, the involvement of numerous owners, and the significant costs involved, the federal government is seeking an integrated solution to the environmental issues at this site. This site may be divided in two sectors: the East Sector and the West Sector.

a) **East Sector**

The estimate of this liability is based on a feasability study conducted by an external firm. The Corporation periodically updates certain assumptions as well as certain data in this study, on the basis of new aggregated data.

According to this feasability study, as updated by the Corporation, the Corporation's share in the total undiscounted estimated costs ranges between $23,900,000 and $44,400,000 ($24,900,000 and $74,400,000 in 2013), whereas the share in the total discounted estimated costs has ranged between $19,161,000 and $35,700,000 ($16,500,000 and $49,400,000 in 2013). The assumptions used to determine the obligation for the East Sector are the following:

- The project will begin in 2016 with the construction of a floating confinement barrier;
- The installation of the pumping and treatment system is expected to begin the following year, in 2017;
- The decontamination operations are expected to begin in 2017 and extend over an estimated 15-year period. The duration of the project will extend beyond 15 years, but it is impossible to determine the costs beyond 15 years;
- The inflation rate is based on the average increase rate of the Non-Residential Building Construction Price Index – Industrial Sector ("NRBCPI") since 2000. The 3.43% inflation rate (which ranged from 2.4% to 2.6% in 2013) is used for the discount model;
- The cash flows were discounted using the Government of Canada benchmark yields:
  - Fiscal years: 2015 to 2017, namely a rate of 1.08%;
  - On the long-term, namely a rate of 2.96% (2.56% in 2013);
- For the East Sector, the Corporation's share is estimated at one-third of the total costs to be incurred;
- There is no residual value to the project.

The costs included in the feasability study conducted by the external firm are estimated with a degree of accuracy of more or less 30%. In view of the negotiations underway between the various partners, the project management method has not yet been ascertained. The Corporation considers it reasonable to set its assessment of the obligation at the lower range of the total discounted estimated costs, namely an amount of $19,161,000 ($16,500,000 in 2013).

b) **West Sector**

The Corporation periodically updates certain assumptions as well as certain data from a study conducted by an external firm, on the basis of new aggregated data.

Based on the study as updated, the Corporation's share in the total undiscounted estimated costs ranges between $22,200,000 and $33,300,000 ($21,100,000 and $31,500,000 in 2013), whereas the share in the total discounted estimated costs has ranged between $16,700,000 and $25,000,000 ($16,700,000 to $24,900,000 in 2013).

The assumptions used to determine the obligation for the West Sector are the following:

- The project will begin in 2016 with the construction of a hydraulic barrier and of the treatment plant;
- The confinement operations are expected to begin in 2017 and extend over an estimated 15-year period. The duration of the project will extend beyond 15 years, but it is impossible to determine the costs beyond 15 years;
- The inflation rate is based on the average increase rate of NRBCPI since 2000. The 3.43% inflation rate (which ranged from 2.4% to 2.6% in 2013) is used for the discount model;
- The cash flows were discounted using the Government of Canada benchmark yields:
  - Fiscal years: 2015 to 2017, namely a rate of 1.08%;
  - On the long-term, namely a rate of 2.96% (2.56% in 2013);
- For the West Sector, the Corporation's share is 50% of the total costs to be incurred;
- There is no residual value to the project.

The costs included in the feasability study conducted by the external firm are estimated with a degree of accuracy of more or less 20%. In view of the negotiations underway with the various partners, the project management method has not yet been ascertained. The Corporation considers it reasonable to set its assessment of the obligation in the lower range of the total discounted estimated costs, namely an amount of $16,700,000 ($16,700,000 in 2013).

As of March 31, 2014, the Corporation therefore estimates at $35,861,000 ($33,200,000 in 2013) for the East and West Sectors. This amount was recorded as "Environmental Obligations" in the Statement of Financial Position as at March 31, 2014.

8. TANGIBLE CAPITAL ASSETS

	Land	Bridges and roads	Vehicles and equipment	Projects in progress	Total
	$	$	$	$	$
COST					
April 1, 2012	**6,890,863**	**362,528,958**	**3,189,620**	**18,561,066**	**391,170,507**
Acquisitions	-	11,949,225	437,204	44,926,938	57,313,367
Disposals	-	-	-	-	-
Transfers	-	7,681,312	-	(7,681,312)	-
March 31, 2013	**6,890,863**	**382,159,495**	**3,626,824**	**55,806,692**	**448,483,874**
Acquisitions	-	29,744,311	874,414	74,589,276	105,208,001
Disposals	-	-	(168,634)	-	(168,634)
Transfers	-	13,060,310	-	(13,060,310)	-
March 31, 2014	**6,890,863**	**424,964,116**	**4,332,604**	**117,335,658**	**553,523,241**
ACCUMULATED AMORTIZATION					
April 1, 2012	**-**	**147,188,698**	**2,149,392**	**-**	**149,338,090**
Amortization	-	9,566,060	252,512	-	9,818,572
Disposals	-	-	-	-	-
Write-downs	-	-	-	-	-
March 31, 2013	**-**	**156,754,758**	**2,401,904**	**-**	**159,156,662**
Amortization	-	11,892,784	421,603	-	12,314,387
Disposals	-	-	(168,634)	-	(168,634)
Write-downs	-	-	-	-	-
March 31, 2014	**-**	**168,647,542**	**2,654,873**	**-**	**171,302,415**
NET BOOK VALUE					
March 31, 2013	**6,890,863**	**225,404,737**	**1,224,920**	**55,806,692**	**289,327,212**
March 31, 2014	**6,890,863**	**256,316,574**	**1,677,731**	**117,335,658**	**382,220,826**

9. SHARE CAPITAL

The authorized share capital is 50 shares without par value and the Corporation has one issued and fully paid 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 which cannot predicted with certainty. Management has made, in the affected accounts, provisions which it deems to be 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 works that the Corporation has had carried out on its behalf and that of a partner and for which expenses are shared with the said partners, 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. CONTRACTUAL COMMITMENTS

a) Operating Services

The minimum amount payable for police services totals $3,815,484 per fiscal year ($3,716,280 as of March 31, 2013). 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 $120,977,424 by 2019 ($63,470,377 by 2018, in 2013). The minimum payments over the next fiscal years are the following:

2015	$104,699,939
2016	$14,771,101
2017	$1,154,873
2018 and after	$351,511

c) Leases

The Corporation has committed, under leases for the rental of offices and equipment, to paying $1,650,483 by 2019 ($1,825,356 by 2018 in 2013). The minimum lease payments over the next fiscal years are the following:

2015	$703,784
2016	$704,211
2017	$240,485
2018 and after	$2,003

12. 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.

In addition to the transactions described elsewhere in the financial statements, the Corporation received from FBCL a revenue totalling $59,343 ($59,313 in 2013) for leasing parcels of land for the installation of billboards, including electricity costs. The Corporation also paid $71,140 ($71,354 in 2013) plus taxes to FBCL for administrative services.

As of February 1, 2014, the Corporation repurchased assets from FBCL, namely six electronic variable message signs, five support structures, and a vehicle counting camera system at the net book value, which approximates the fair market value established at $421,897.53.

13. TRANSFER PAYMENTS

	2014	2013
	$	$
TRANSFER PAYMENTS RECEIVED OR RECEIVABLE FOR:		
Regular operations	103,443,480	88,864,652
Rehabilitation of the Honoré Mercier Bridge	11,245,000	2,308,000
Major maintenance program of the Champlain Bridge	19,269,000	21,795,000
Construction of Nuns' Island temporary causeway-bridge	30,525,000	1,555,000
Preservation of the actual Nuns' Island Bridge	4,300,000	-
Federal Contaminated Sites Action Plan	-	302,000
Champlain Bridge Edge Girders Strengthening Program	10,496,000	-
Transfer payments approved and recognized during the year	**179,278,480**	**114,824,652**

The portion of the transfer payment used to fund special projects presented above is limited to the maximum annual amount approved in the Corporate Plan, adjusted to reflect the requests for carryover. Any amount in excess of the maximum amount approved for special projects is charged to regular operations.

14. EXPENSES BY TYPE

	2014	2013
	$	$
Regular and major maintenance	57,612,518	44,984,396
Environmental obligations	2,990,121	5,402,311
Amortization of tangible capital assets	12,314,387	9,818,572
Salaries and employee benefits	9,351,892	8,117,415
Professional services	7,116,565	5,327,107
Goods and services	3,627,686	3,500,956
Total Expenses	**93,013,169**	**77,150,757**

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, accounts receivable, and accrued interest receivable. The Corporation manages this risk by dealing only 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, net of any applicable provisions for losses, 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 and FBCL. As at March 31, 2014, the amounts receivable from the Government of Canada and FBCL represented 74.9% of the total amount owed (84.1% in 2013).

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall 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:

	2014	2013
	$	$
LESS THAN 90 DAYS:		
Accounts payable and accrued liabilities	38,392,709	34,963,357
Due to FBCL	421,898	-
Deferred revenue	151,356	140,350
Contractual holdbacks	2,892,152	2,066,886
Subtotal	**41,858,115**	**37,170,593**
90 DAYS TO 1 YEAR		
Deferred revenue	169,122	156,489
Contractual holdbacks	3,190,415	3,245,042
Subtotal	**3,359,537**	**3,401,531**
MORE THAN 1 YEAR		
Deferred revenue	31,358	33,134
Contractual holdbacks	3,453,944	1,758,595
Subtotal	**3,485,302**	**1,791,729**
Total	**48,702,954**	**42,363,853**

The level of liquidity risk and procedures implemented to mitigate that risk are similar to 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 $247,843 ($202,254 in 2013).

The level of risk for the interest rate and procedures implemented to mitigate that risk are similar to the previous fiscal year.

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

APPENDIX A
2013–2014 PERFORMANCE REVIEW

Activity 1 – Manage and Maintain
Management of federal infrastructure such as bridges, highways, and tunnels as well as lands located in the Montreal area.

Performance Measures in 2013–2014	Performance Indicators	Timeline	Status
Ensure bridge safety by continuing the review of inspection reports and producing reports on high-risk sectors.	Carrying out of the mainten-ance program on the basis of annual inspections and daily operational inspections.	Once a year	Inspections were improved and completed on schedule. Reports on high-risk components in the case of the Jacques Cartier, Nuns' Island, and Champlain Bridges and corridor thereof, including the Bonaventure Expressway, were produced.
Request approval of long-term funding to counter major risks for the bridges and structures in Montreal.	Allocation of long-term funding to JCCBI.	2013–2014	Ongoing activity: The 2014–2015 to 2018-2019 Corporate Plan was approved.
Request approval of funding for the project to contain and treat the Bonaventure Expressway West and East Sector groundwater.	Allocation of long-term funding to JCCBI.	2013–2014	Ongoing activity: The need for 15-year funding was sent to INFC and is included in the 2014–2015 to 2018–2019 Corporate Plan.
Carry out funded projects on time and on budget.	Honoré Mercier Bridge rehabilitation program.	2013–2016	Achieved in part: Work continues on the federal portion of the bridge and is expected to be completed in 2017.
	Champlain Bridge rehabilitation program.	2013–2018	Achieved: The fifth year of the Ten-Year Plan was completed.
	Construction of Nuns' Island bypass bridge (temporary causeway-bridge) and of the new snow storage facility.	2013–2015	Achieved: Planning and construction are carried out as scheduled.

APPENDIX B
BOARD OF DIRECTORS, MANAGEMENT TEAMS AND COMMITTEES

BOARD OF DIRECTORS AND OFFICERS (AS AT MARCH 31, 2014)

Management Team and Committees

Paul T. Kefalas, Acting Chair of Board of Directors
Serge Martel, Deputy Chair of Board of Directors
Glen P. Carlin, Acting Chief Executive Officer and Member
Denise Hébert, Member
Yvon Bourget, Member
John Papagiannis, Acting Corporate Secretary
Claude Lachance, Treasurer

MANAGEMENT TEAM (AS AT MARCH 31, 2014)

Glen P. Carlin, Acting Chief Executive Officer
Claude Lachance, Senior Director, Administration
Jean-Vincent Lacroix, Director, Communications
Sylvie Lefebvre, Legal Counsel
Sandra Martel, Senior Director, Planning and Information Technology
Steve Tselios, Senior Director, Engineering
Catherine Tremblay, Senior Director, Construction, Projects and Operations

COMMITTEES (AS AT MARCH 31, 2014)

Audit Committee

Denise Hébert, Chair
Serge Martel
Yvon Bourget

Corporate Governance Committee

Paul T. Kefalas, Chair
Denise Hébert
Yvon Bourget

Human Resources Committee

Denise Hébert, Chair
Serge Martel

Honoré Mercier Bridge Deck Replacement Steering Committee

Yvon Bourget, Acting Chair
Paul T. Kefalas, Temporary Member
Denise Hébert, Observer
Serge Martel, Observer

Construction of a Temporary Causeway-Bridge for the Replacement of Nuns' Island Project Steering Committee

Yvon Bourget, Chair
Serge Martel, Member
Paul T. Kefalas, Temporary Member
Denise Hébert, Member

Champlain Bridge Rehabilitation Project Steering Committee

Yvon Bourget, Chair
Serge Martel, Member
Paul T. Kefalas, Observer
Denise Hébert, Member

Information Technology and Change Management Committee

Serge Martel, Chair
Paul T. Kefalas, Observer

APPENDIX C
LIST OF ABBREVIATIONS

BDFMO	Design-build-finance-maintain-operate project
CEAA	Canadian Environmental Assessment Act (2012)
CPSAS	Canadian Public Sector Accounting Standards
FAA	Financial Administration Act
FBCL	The Federal Bridge Corporation Limited
FCSAP	Federal Contaminated Sites Action Plan
INFC	Infrastructure Canada
JCCBI	The Jacques Cartier and Champlain Bridges Incorporated
MDDELCC	Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques (Québec)
MTQ	Ministère des transports du Québec
NRBCPI	Non-Residential Building Construction Price Index – Industrial Sector
PSDPA	Public Servants Disclosure Protection Act
PWGSC	Public Works and Government Services Canada
SLSA	The St. Lawrence Seaway Authority