FEDERAL BRIDGE CORPORATION
SOCIÉTÉ DES PONTS FÉDÉRAUX

ANNUAL REPORT 2019 | 2020

Canada

TABLE OF CONTENTS

1.0 WORD FROM THE CHAIRPERSON

Pascale Daigneault

The 2019-20 fiscal period was a time of renewal for the Board of Directors of The Federal Bridge Corporation Limited (FBCL). There were significant changes to the Board and among them, the addition of three new members, my appointment as Chairperson, and the reconstitution of all of the Board's committees, all injected a fresh perspective to our activities. Another notable transition was the appointment of the Corporation's former Chief Financial and Operations Officer as Chief Executive Officer, providing seamless leadership and maintaining existing corporate knowledge.

As the newly constituted FBCL marked its fifth anniversary, the Corporation completed a review and modernisation of much of its governing and operational policies. As the Board continues to closely monitor enterprise risks including mitigation measures, it is emphasising its focus on safeguarding the long-term sustainability of the Cornwall location.

Facing outwardly, the year unfolded largely as expected. Traffic and revenue were stable. FBCL's year ultimately reflected the overall global economy's expected shifting phases. While global players jostled for positions in the spectrum of international trade, FBCL's strategic activities were seeing the Corporation effectively manage its legacy debt, as well as setting the stage for future investments in asset maintenance and continued safe services for our customers. As a new Canada-United-States-Mexico Agreement faced tri-national ratification, a new degree of stability is anticipated to positively impact FBCL's crossings. A key fact remains: FBCL is well equipped to succeed through shifting economic tides.

Mid-March, virtually everything in North America changed. The global pandemic created a momentous shift where front-line customer service and facilities maintenance staff along with goods transporters have risen in social value during times of constricted mobility and risks to personal and community health.

Through it all, FBCL prevails. Shortly following the declaration of a global pandemic, Standard & Poor's Financial Services LLC scheduled a review of the Corporation that saw FBCL's Global Rating maintained at "A+", reaffirming the strategic framework governing its operations. Although their outlook was revised to "negative", this was more a reflection of an operating environment impacted by a global pandemic, than of the administration of the business. At the border, passenger vehicle traffic fell dramatically yet the core of commercial crossings remained as FBCL bridges continued to play vital roles in the delivery of consumer goods to store shelves. FBCL's operations remained robust. Refreshed governance and years of planning will sustain the Corporation.

How the health, social and economic impacts of COVID-19 ultimately unfold, remains yet to be seen. It is safe to say that they are likely to be long-lasting and far-reaching. As events unfurl, FBCL will be maintaining its close collaboration with its government and international partners to ensure the persistently safe, healthy and essential role that our crossings provide to travellers.

Pascale Daigneault
Chairperson of the FBCL Board of Directors

2.0 WORD FROM THE CHIEF EXECUTIVE OFFICER

Natalie Kinloch

This Annual Report marks my first anniversary as Chief Executive Officer of FBCL. It has certainly been a remarkable year of accomplishments with a strong focus on fundamentals. The Corporation continued to mature with an updated policy portfolio, a modernisation of systems, the completion of major infrastructure projects with a continuous view to ensure public safety and asset sustainability. This strategy and its execution proved to be the right one, at the right time for FBCL as it foreshadowed a black swan event like no other.

This year, I am pleased to report that the FBCL team disrupted the status quo, in the infinite quest for excellence in the performance of our international bridges. We achieved strong financial results in line with plans, the debt level is steadily going down and a new collective agreement with our unionised workers was reached in record time. The FBCL recipe for success includes a deep understanding of our raison d'être, strong governance, skillful and committed employees who live and breathe the bridges, daily measures of innovative thoughts and a revered relationships based on openness and transparency for common good. We are proud of our team and the results of our first employee engagement and satisfaction survey, demonstrated that our employees share in that feeling with 86% of reporting being engaged at work and 92% stating they were proud to work with us.

From an infrastructure and maintenance perspective, each crossing experienced transformational major works. Proactive asset management activities continued at all locations and seismic monitoring of piers began in Sault Ste. Marie for the upcoming Soo Locks project. Further south at the Blue Water Bridge, we created a modern security operations centre, opened a new emergency ramp and cleared older infrastructure on the plaza to prepare for future development and plans. In Eastern Ontario, at the Thousand Islands International Bridge, the new toll management system was launched following the rehabilitation of the toll infrastructure on both sides of the border. At the Seaway International Bridge, the in-water pier removal culminated a decade of construction to replace the North Channel Bridge. Additionally, we continue to look for opportunities to support the greening of our national transportation infrastructure. This year, two international bridges saw the installation of electric vehicle charging stations and we initiated a comprehensive climate change study with support of the Transportation Assets Risk Assessment (TARA) Program.

The success of FBCL is highly intertwined with that of our subsidiary, the Seaway International Bridge Corporation and our bi-national bridge partners. We remained engaged with government officials to ensure long-term sustainability of the subsidiary to identify and implement lasting measures to address revenue constraints that result from the significant volume of toll exempt vehicular traffic. Also notable this year, is the renewal of a partnership spanning more than forty years, where we have delivered our mandate at the Lansdowne location alongside the Thousand Islands Bridge Authority. We were pleased to negotiate an extension of that administrative agreement for an additional ten years ensuring the continuing stability of this crossing.

Also new in 2019-20 was the echoing of the value delivered through the ConneXion frequent crossing program. The FBCL team reached out in a sea of red and white, to assist others through the launch of our very own Community ConneXion outreach and engagement program, delivering coordinated volunteering and charitable giving activities throughout the year.

While we celebrated each achievement, by mid-March, the global Covid-19 pandemic had fully extended across Canada and the United States. Seemingly, overnight, we faced declarations of state of emergencies and stay at home orders, repatriation announcement for Canadians abroad and a momentous border closure. With no hesitation, the FBCL team launched into action. Albeit a once in a lifetime event for all, the expertise of the team and our strong partner relationships ensured continuity of operations to sustain Canada's trade and supply chain across all our international bridges.

It is difficult to predict how the current pandemic events will unfold, however, I remain confident in the FBCL team's resilience and resourcefulness to sustain its operations and achieve our targeted objectives.

Natalie Kinloch

Natalie Kinloch
Chief Executive Officer

3.0 CORPORATE PROFILE

3.1 BACKGROUND

The Federal Bridge Corporation Limited (FBCL) is a parent Crown corporation that operates at arm's length from the federal government. Headquartered in Ottawa, the Corporation is responsible for Canadian federal interests at four of the eleven international bridges in Ontario.

FBCL's responsibilities and relationships are varied and reflect the unique origin of each bridge. FBCL owns crossing assets and provides oversight to bridge operations, administering international agreements associated with the bridges, leading bridge engineering and inspection duties and management of bridge capital investment projects.

	SAULT STE. MARIE INTERNATIONAL BRIDGE	BLUE WATER BRIDGE	THOUSAND ISLANDS INTERNATIONAL BRIDGE	SEAWAY INTERNATIONAL BRIDGE
FBCL OWNERSHIP	50% of the bridge 100% of Canadian bridge plaza and port of entry	50% of each of the twin bridges 100% of Canadian bridge plaza and port of entry	100% Canadian Bridge 50% Rift Bridge 100% of Canadian bridge plaza and port of entry	100% North Channel Bridge 100% of Canadian toll plaza and International Road 32% South Channel Bridge
INTERNATIONAL PARTNER	Michigan Department of Transportation	Michigan Department of Transportation	Thousand Islands Bridge Authority, a public benefit corporation under New York State Public Authorities Law	Saint Lawrence Seaway Development Corporation, an agency of the United States Department of Transportation
BRIDGE OPERATOR	International Bridge Administration, a distinct administrative unit within the Michigan Department of Transportation with delegated authority from Sault Ste. Marie Bridge Authority a separate legal entity constituted by Michigan Department of Transportation and FBCL	Canadian portion: FBCL American portion: Michigan Department of Transportation	Thousand Islands Bridge Authority	Seaway International Bridge Corporation, Ltd, a wholly-owned subsidiary Canadian Crown corpo-ration
GOVERNANCE STRUCTURE	Eight Directors: four Americans appointed by the Governor of Michigan and four Canadians appointed by FBCL	Canadian portion: FBCL American portion: Michigan Department of Transportation	U.S. Chair and six Directors appointed by Jefferson County: three Americans and three Canadians (recommended by FBCL)	Eight Directors appointed by FBCL, four Canadians and four Americans (recommended by Saint Lawrence Seaway Development Corporation)

3.2 MANDATE

FBCL's mandate, approved by the Minister of Transport, is to provide the highest level of stewardship so that its international bridges and associated structures are safe and efficient for users.

The business or undertaking of the Corporation shall be limited to the following:

a) The design, construction, acquisition, financing, maintenance, operation, management, development, repair, demolition or reconstruction of bridges or other related structures, facilities, works or properties, including approaches, easements, power or communication transmission equipment, pipelines integrated with any such bridge, other related structure, facility, work, or property, linking the Province of Ontario in Canada to the State of New York or the State of Michigan in the United States of America, either alone, jointly or in cooperation with any other person, legal entity or governmental authority in Canada or in the United States of America;
b) The design, construction, acquisition, financing, maintenance, operation, management, development, repair, demolition or reconstruction of other bridges or other related structures, facilities, works or properties, as the Governor in Council may deem appropriate, on such terms and conditions as the Governor in Council may determine; and,
c) Any business, undertaking or other activities incidental to any bridge, or other related structure, facility, work or property contemplated in paragraph (a) or (b).

For the foregoing purposes, the Corporation has, subject to the *Financial Administration Act* (FAA), the *Canada Business Corporations Act*, and these articles, as amended from time to time, the capacities and powers of a natural person.

3.3 STRATEGIC DIRECTION

FBCL's mission, vision and pillars define the framework for the Corporation's strategic direction as approved by the Board of Directors.

3.3.1 Mission

FBCL is a Crown corporation responsible for the oversight of Canadian federal interests in four selected international bridge crossings between Canada and the United States.

3.3.2 Vision

Striving to optimise the safety, security, sustainability and capacity of bridge operations to the benefit of Canada while serving the traveling public with efficiency and respect.

3.3.3 Pillars

FBCL will fulfill its mission through these key pillars:

- Operating with a unified **portfolio management** approach and strong corporate oversight;
- **Stewardship** of the bridge assets, focused on safety and security through a program of independent inspections, of appropriate asset management programs and on the provision of excellent customer service;
- Effective **use of technology**, utilising common platforms to ensure efficiency of operations and accuracy of information, managed in a manner that limits risk and cost;
- **Sustainability** of operations, maintenance and administration through a shared revenue approach, prioritised investment, toll optimisation and cost containment; and,
- **Sound governance** of the Corporation, through an optimised structure with the required capacity and kills, and strong relationships with stakeholders.

4.0 CORPORATE GOVERNANCE

As a Crown corporation, FBCL is governed by a Board of Directors and is accountable to Parliament through the Minister of Transport.

4.1 LEGISLATIVE AUTHORITY

FBCL is a corporation constituted under the *Canada Business Corporations Act* and listed in Schedule III Part 1 of the *Financial Administration Act* and is an agent of Her Majesty, following the amalgamation of the predecessor corporation, also known as The Federal Bridge Corporation Limited with several other bridge corporations.

The amalgamations have contributed significantly to resolving historical governance issues and allowed for increased focus and greater accountability for the international bridges under its purview.

4.2 PUBLIC ACCOUNTABILITY

FBCL is governed by a Board of Directors that is accountable for oversight and strategic direction. The Chief Executive Officer is a member of the Board and is responsible for the day-to-day management and performance of the Corporation in addition to supporting the Board in its oversight role.

4.3 FBCL BOARD

The FBCL Board is composed of seven directors, including the Chairperson and the Chief Executive Officer. The Chairperson and the Chief Executive Officer are appointed by the Governor in Council, in accordance with section 105 of the *Financial Administration Act*. The directors, other than the Chairperson and the Chief Executive Officer, are appointed by the Minister with the approval of the Governor in Council.

Within the Corporation's mandate, the Board sets corporate objectives and direction, ensures good governance, monitors financial performance, approves budgets and financial statements, approves policies and by-laws, appoints or nominates for appointment, the Canadian directors of international bridge boards, as well as ensures that risks are identified and managed.

The Board is currently supported in its role and responsibilities by the legally required Finance and Audit Committee as well as by a Governance, Policy and Human Resources Committee.

The Board has established a Charter for each standing Committee and operating guidelines that govern the operations of all committees. The Board may establish other committees as required to assist the Board in meeting its responsibilities.

4.4 COMMITTEES

4.4.1 Finance and Audit Committee

Mandate: As per the duties outlined in the *Financial Administration Act*, the Finance and Audit Committee provides oversight and makes recommendations to the Board on the standards of integrity and behaviour, the reporting of financial information, management control practices, risk management and insurance needs. The Committee is responsible for advising the Board on matters related to financial statements, any internal audit of the Corporation and the annual auditor's report of the Corporation. The Finance and Audit Committee is also responsible to review and advise the Board with respect to a special examination, and the resulting plans and reports. The Committee performs other functions assigned to it by the Board and that are included in the corporate by-laws.

Membership: The Committee is composed of three Directors appointed by the Board, one of whom is appointed as Chair of the Committee. The Board Chair is a non-voting ex officio member of the Committee.

4.4.2 Governance, Policy and Human Resources Committee

Mandate: The mandate and operational guidelines of the Committee were ratified and approved by the Board. This Committee assists the Board in overseeing the Corporation's governance, board policy infrastructure and human resources. The role of the Committee is to support the Board in the discharge of its responsibilities by performing due diligence on matters within its area of responsibility. Its function is not to approve but make recommendations for approval by the Board.

Membership: The Committee is composed of three Directors appointed by the Board, one of whom is appointed as Chair of the Committee. The Board Chair is a non-voting ex officio member of the Committee.

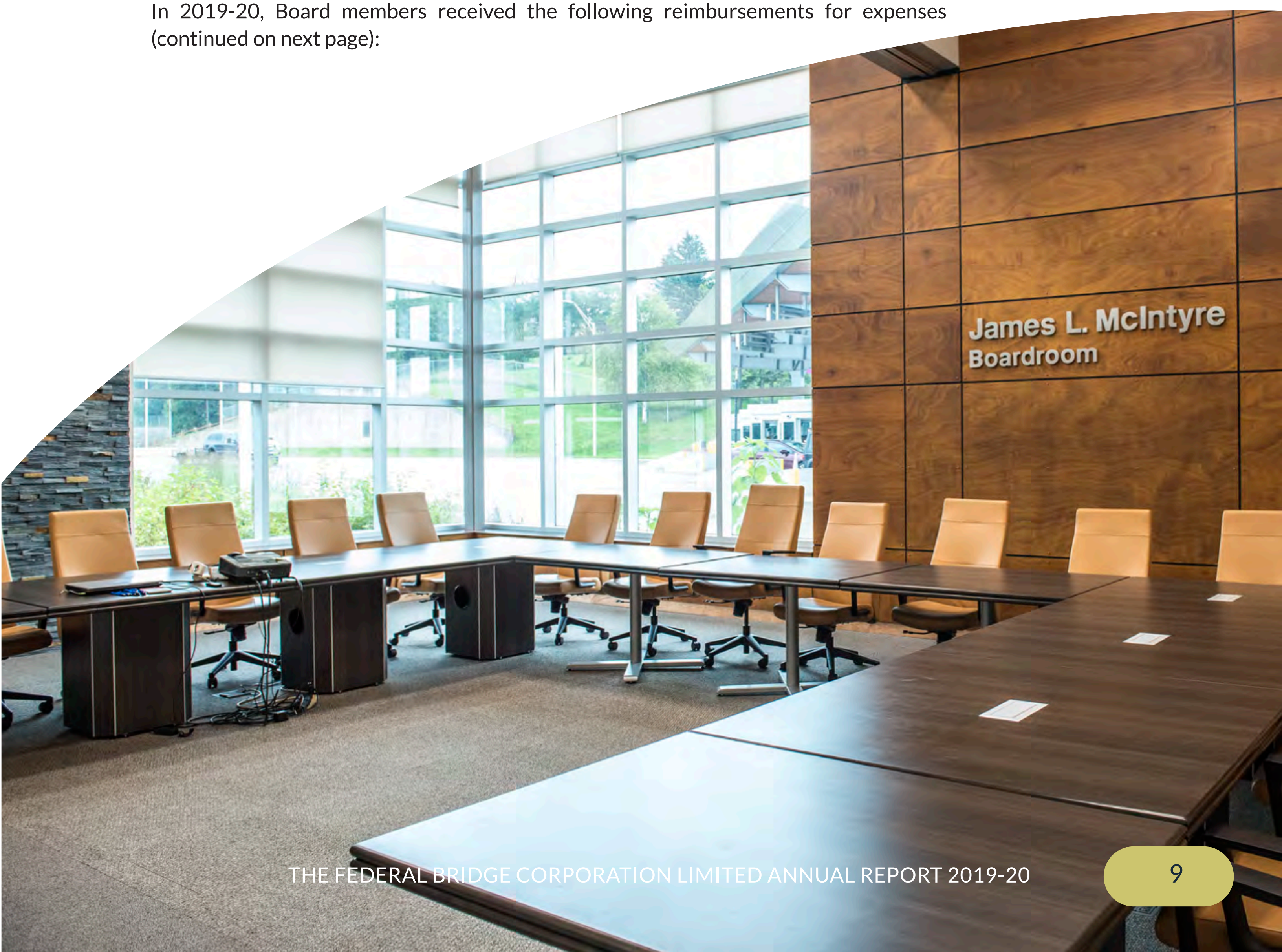
4.5 BOARD OF DIRECTORS REMUNERATION

The Governor-in-Council establishes the remuneration paid to the Chair, other Board members and the Chief Executive Officer. The remuneration of the Chair and other Board members follows the Government's Remuneration Guidelines for Part-time Governor in Council Appointees in Crown corporations and is pursuant to section 108 of the *Financial Administration Act*. The Chair receives an annual retainer of $6,400 - $7,500 and a per diem of $200 - $300 for attending regular and committee meetings, while other Board members are paid an annual retainer of $3,200 - $3,800 and a per diem of $200 - $300. Board members are reimbursed for all reasonable out-of-pocket expenses, including travel, accommodations, and meals, incurred in the performance of their duties.

The employment conditions 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 Chief Executive Officer position (CEO 3) is $188,500 - $221,700. The Chief Executive Officer does not receive an annual retainer nor a per diem for attending Board meetings. The Governor-in-Council may also grant to the Chief Executive Officer performance pay of up to 15 percent of the base salary, according to the achievement of key performance objectives, as determined by the Board of Directors.

Remuneration for senior management is modeled on the Government of Canada Executive Group (EX) salary scales.

In 2019-20, Board members received the following reimbursements for expenses (continued on next page):



Board Members	Retainer Earned	Per Diems		Travel / Training Reimbursements	Total	Attendance						
						Board Meetings		Committee Meetings				Training
								GPHR		FAC		
		Meetings / Travel	Training			In-person	Telephone	In-person	Telephone	In-person	Telephone	# of days
Notes	a	a,b	c	d					f		g	
Pascale Daigneault - Sarnia, ON (appointed Chairperson on May 9, 2019)	7,113	12,150	1,200	12,800	$ 33,263	7/7	4/4	3/3	1/1	4/4	1/1	6
Karen Hill - Ohsweken, ON	3,800	3,525	-	1,165	$8,490	5/8	4/4	1/4	0/1	-	-	-
John Lopinski - Port Colborne, ON (term started May 9, 2019)	3,403	6,750	1,200	9,463	$20,816	7/7	3/3	1/1	-	4/4	1/1	4
Marie-Jacqueline Saint-Fleur - Montreal, QC	3,800	7,650	600	6,474	$18,524	7/7	4/4	1/1	-	4/4	1/1	2
Travis Seymour - Ottawa, ON	3,800	6,450	600	2,312	$13,162	7/7	4/4	2/2	1/1	3/4	1/1	2
Rakesh Shreewastav - Toronto, ON (term started May 9, 2019)	3,403	6,975	600	6,238	$17,216	7/7	3/3	3/3	1/1	1/1	0	2
Rick Talvitie - Sault Ste. Marie, ON (until May 9, 2019)	950	375	-	226	$1,551	-	1/1	-	-	-	-	-
Natalie Kinloch (note e) - Apple Hill, ON	n/a	n/a	n/a	n/a	$ -	7/7	4/4	-	-	-	-	-
Total	$26,269	$43,875	$4,200	$38,678	$113,022							

a. Rates per Order-in-Council PC2015-84, January 30, 2015, for the Chairperson. Rates per Order-in-Council PC2015-81, January 29, 2015, for other Directors. These are supplemented by *Guidelines for the Remuneration of the Chairperson and other Directors of The Federal Bridge Corporation Limited* (2015), which is based on *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations* (2000), published by the Privy Council Office.

b. Includes attendance at Board and Committee meetings, annual public meeting, strategic planning sessions, teleconference, special duties, and additional travel days.

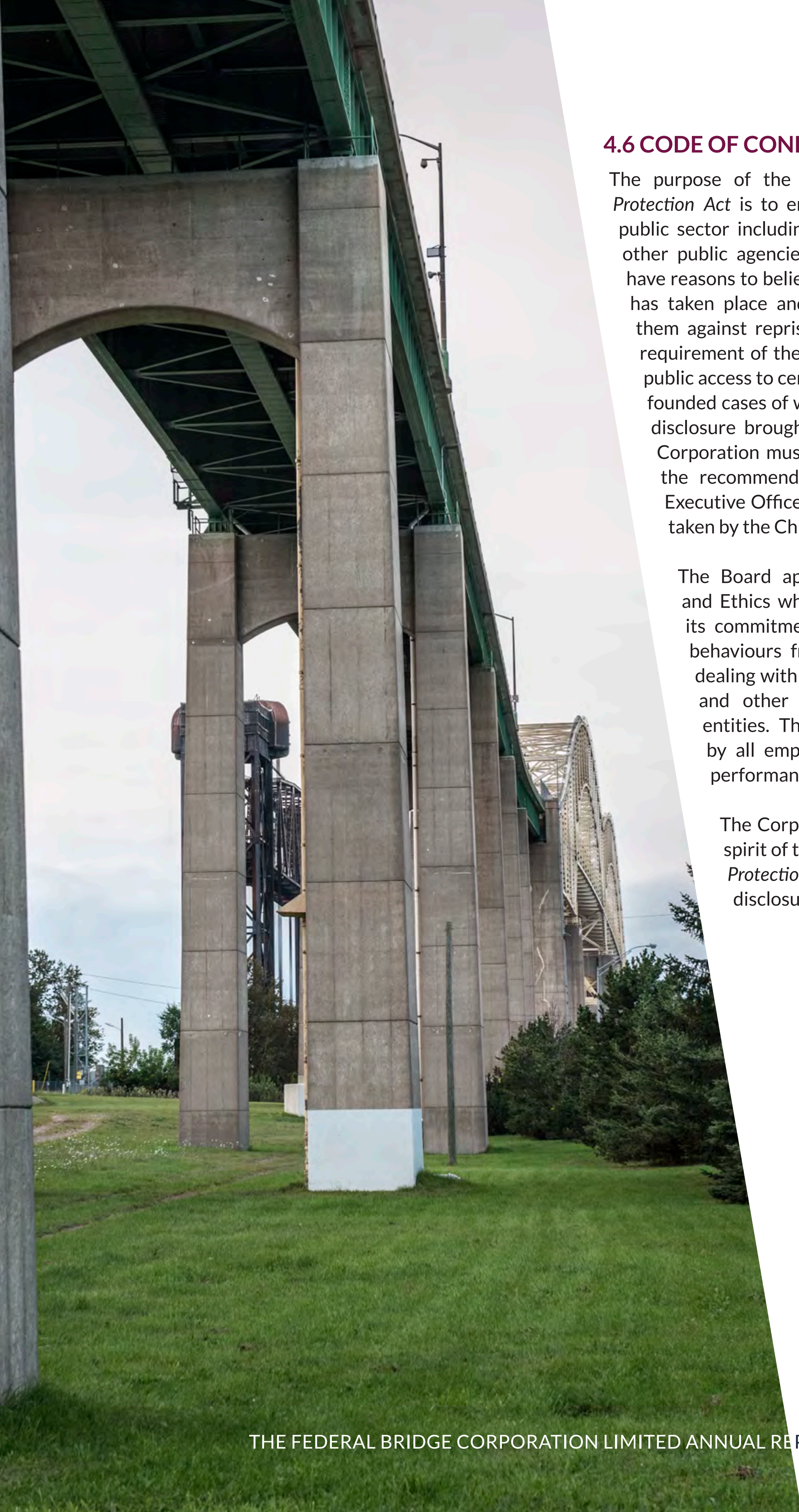
c. Per diems for training and conference attendance are paid in accordance with the equivalent rates applicable per Privy Council Orders 2015-81 and 2015-84.

d. Travel and training reimbursements include repayment of reasonable out-of-pocket expenses and registration fees in accordance with FBCL's *Travel, Hospitality, Conference, and Events Policy*.

e. The Chief Executive Officer is also a member of the Board of Directors and receives no additional compensation for those duties.

f. GPHR stands for Governance, Policy, and Human Resources Committee

g. FAC stands for Finance and Audit Committee



4.6 CODE OF CONDUCT

The purpose of the *Public Servants Disclosure Protection Act* is to encourage employees in the public sector including Crown corporations and other public agencies to come forward if they have reasons to believe that serious wrongdoing has taken place and to provide protection to them against reprisal should they do so. One requirement of the Act is to promptly provide public access to certain information respecting founded cases of wrongdoing resulting from a disclosure brought forward. Specifically, the Corporation must describe the wrongdoing; the recommendations made to the Chief Executive Officer; and the corrective action taken by the Chief Executive Officer.

The Board approved a Code of Values and Ethics which sets out FBCL's values, its commitment to ethics and expected behaviours from all employees in their dealing with their colleagues, the public, and other governmental or external entities. The Code is signed annually by all employees during their annual performance review.

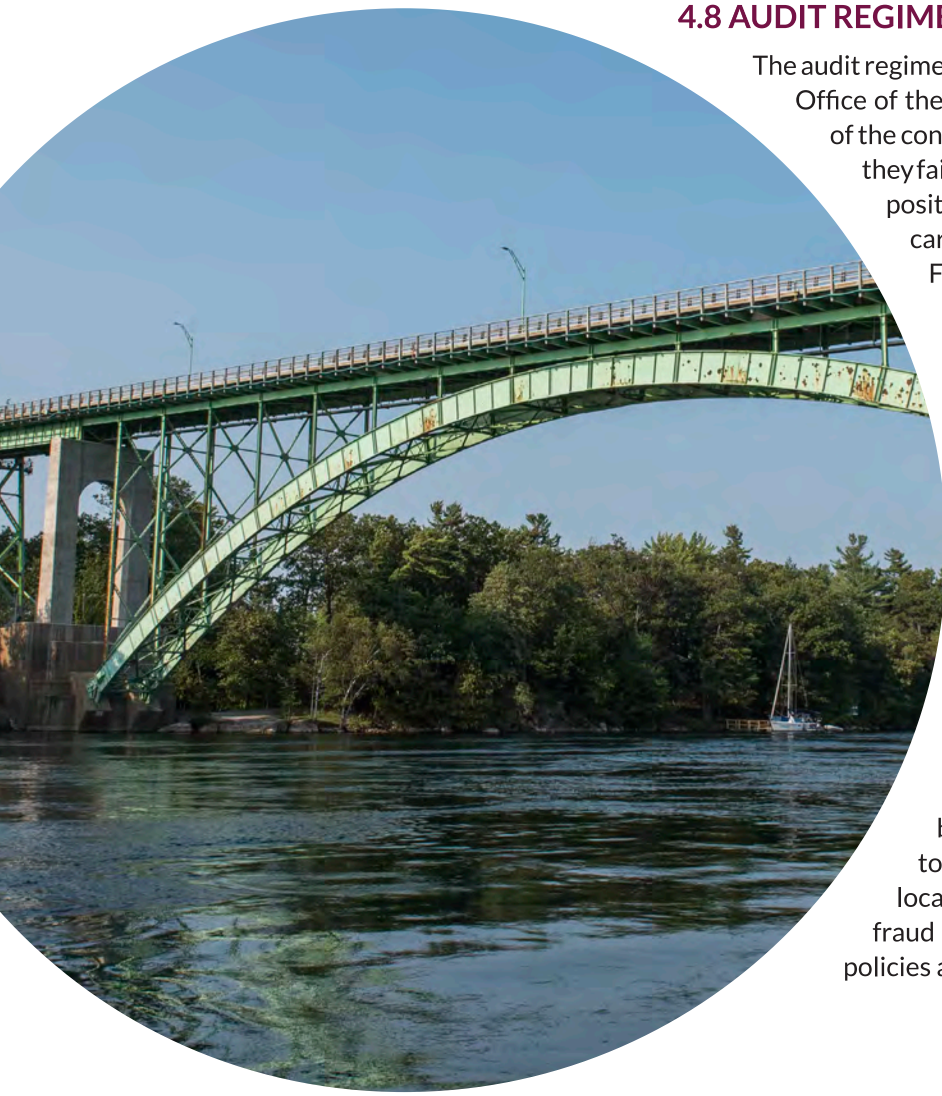
The Corporation fully adheres to the spirit of the *Public Servants Disclosure Protection Act* and has had no disclosures to date.

4.7 PORTFOLIO MANAGEMENT

The Corporation has adopted a portfolio management approach to deliver its mandate. It is not a portfolio of corporations but rather one parent Crown corporation overseeing a portfolio of federal assets which are used in pursuit of public policy objectives. Key aspects of the portfolio management approach include:

- Funds surplus to operating requirements used for capital re-investment in all portfolio bridges in support of public policy objectives;
- Revenues centrally managed, with each bridge established as a cost centre, including an appropriate corporate services allocation;
- Operational and maintenance expenditures of each bridge based on common policies;
- Integrated long-term capital plan developed as basis for capital prioritisation and annual capital budget; and,
- Shared internal services.

The establishment of this management approach provides a unique opportunity to look at all possibilities, both through adopting best practices and a comprehensive common approach within the portfolio and through identifying broader strategic opportunities.



4.8 AUDIT REGIME

The audit regime consists of external and internal audits. The Office of the Auditor General conducts an annual audit of the consolidated financial statements to verify that they fairly reflect the operating results and financial position, and that the transactions have been carried out in accordance with International Financial Reporting Standards (IFRS) and Part X of the *Financial Administration Act*. The Office of the Auditor General also conducts a special examination at least once every ten years to confirm that assets are being safeguarded and controlled; that financial, human and physical resources are being managed efficiently; and that operations are being conducted effectively.

The internal audit regime aims to strengthen accountability, risk management, resource stewardship, and good governance by ensuring that internal audit is a key governance component. Risk-based, multi-year audit plans are developed to identify key risk areas common to all bridge locations. The current audit plan focuses on fraud prevention and ethics, internal controls, policies and practices.

5.0 BUSINESS AND PERFORMANCE

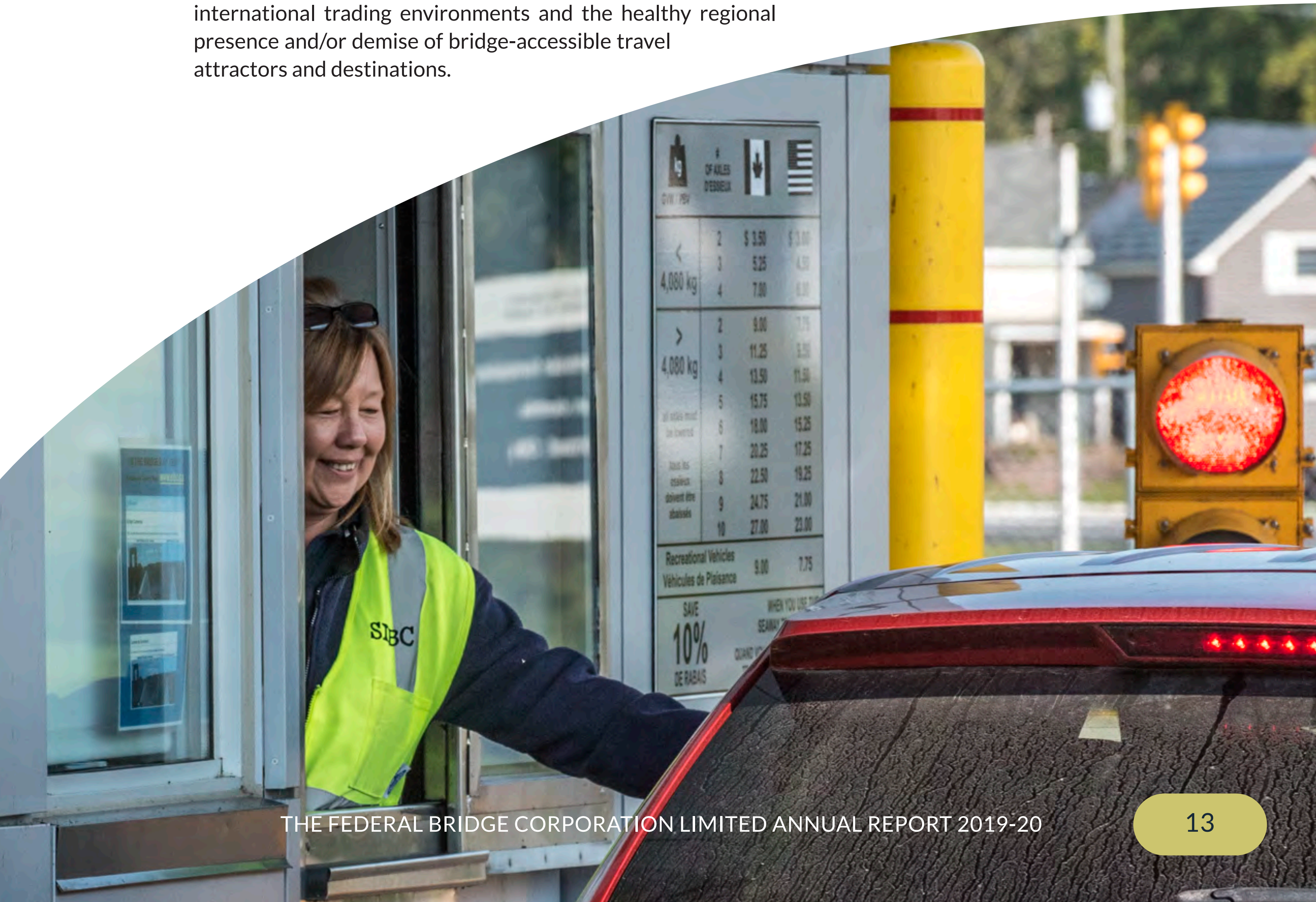
A bridge is a passive facilitator of travel and trade. Due to its presence, it enables the transit of people and goods while possessing no fundamental or intrinsic means of enticing its usage. The provision of a safe, well-maintained and functional crossing ensures the bridge's viability and appeal, however the decision to cross relies much more significantly on the availability of local and regional attractors on the opposite side. Without those external attractors, a bridge has limited ability to affect consumption behaviour on its prospective users.

5.1 STRATEGIC ISSUES

Within that operational context, with one notable exception, the key strategic issues faced by the Corporation remain largely unchanged and include:

- **Global pandemic:** The most significant and least predictable factor affecting the business context at the end of the fiscal period was the impact of the COVID-19 pandemic and its associated restrictions on non-essential cross-border travel. While its effects began to be manifested only in the very late days of the fiscal period, it will have a lasting dampening effect on the economy, public health policies and international crossings for an undefinable protracted period.

- **The Economy in general:** This is classically represented by the fluctuations of currency exchange rates; general employment rates and manufacturing productivity; stable international trading environments and the healthy regional presence and/or demise of bridge-accessible travel attractors and destinations.



- **Throughput at the border:** A reputation for safety, speed and ease of crossing is the single most important factor affecting crossing choice for non-local travellers and commercial goods transporters.

- **Societal unrest:** The multi-faced social issues of racial inequalities, including those affecting indigenous peoples, at times impact many components of our transportation infrastructures when the obstruction of these assets are targeted by protestors seeking to have their voices heard and issues recognised.

- **Evolving transportation logistics:** Growth in the reported value of goods at a rate higher than inflation with declines in the absolute volume of commercial vehicles crossing Ontario's border with the United States indicates continued improvements in transportation logistics that impact bridge toll revenue.

- **Technology and its security:** Ensuring that underlying transaction management technologies remain current, adaptable and secure promotes customer trust and confidence.

- **Competition:** The ready availability of crossing alternatives including those derived from changes in social behaviour will have an effect on operations.

Setting aside well-maintained bridge assets and support for secure and novel payment technologies, all of the strategic issues affecting FBCL's line of business are external and detached from the organisation's direct influence.

5.2 NOTABLE OPERATIONAL AND CAPITAL INITIATIVES

FBCL is committed to conducting its operations in a responsible and sustainable manner that safeguards and, where feasible and practicable, promotes continual improvement of the environment to its employees, customers and community partners. In accordance with section 71 of the *Canadian Environmental Assessment Act* 2012 and section 82 of the *Impact Assessment Act*, between January 1 and December 31, 2019 all projects implemented by FBCL were considered unlikely to cause significant adverse environmental effects.

Annual bridge inspections for all four crossings generated favourable results. All bridges were determined to be in good overall conditions, with recommendations for regular maintenance and future capital projects. The bridge inspection reports were submitted to Transport Canada in accordance with the *International Bridges and Tunnels Act* (IBTA) reporting requirements Annual bridge inspections for all four crossings generated favourable results.

As stewards of four of Canada's international bridge crossings, it is necessary to invest prudently in the maintenance, rehabilitation and at times, complete replacement of bridge and bridge plaza assets. The *Customs Act*, section 6 requires the Corporation to provide, equip and maintain, free of charge, adequate buildings, accommodations or other facilities for Canadian Border Services Agency. A similar provision in the *Plant Protection Act* and the *Health of Animals Act* mandate support for Canadian Food Inspection Agency facilities at bridge crossings. These facilities are provided to the agencies at its crossings, out of revenue generated by the Corporation. Historically, the Corporation has not been required to pay for facilities in Cornwall due to the primarily local benefit provided by the crossing and the toll-exempt status of over 70% of its users.

As indicated below, the past year bore witness to a few notable events or activities that have impacted bridge operations and capital investments and will deliver value to all of the Corporation's performance domains. While timing of planned future strategic capital investments will likely be subject to schedule impacts due to the effects of the pandemic, the Corporation remains focused in the near term to implement new, relevant initiatives.

5.2.1 AT AN OVERARCHING CORPORATE LEVEL

In addition to ongoing strategic collaboration with Transport Canada, the Corporation has continued to build on its positive tactical relationships nationally and regionally with government partners. FBCL has engaged at the regional level with the United States' Customs and Border Protection to discuss service level enhancements as well as with Canadian Border Services Agency leadership to deepen collaboration on general operational matters. The development of these relationships continues to play a key role in the operation of the crossings, particularly in the facilitation of any travel restrictions.

FBCL continued to progress its Asset Management modernisation program with the development of a corporate policy and a strategic implementation framework that were both approved by FBCL's Board of Directors in February 2020. On other fronts related to its asset management objectives, the Corporation has initiated a weather and climate change impact assessment study to identify and quantify the Corporation's vulnerabilities and risk areas resulting from environmental factors. While protests linked to environmental concerns in British Columbia and the global pandemic slowed progress in all business areas near the end of the year, implementation efforts are continuing and scheduling is being reassessed.

The Corporation, in conjunction with three of its international bridge ownership partners, is also undertaking a consolidated requirements definition process for the future acquisition of a next generation toll management system that will be shared across multiple locations.

5.2.2 AT THE SAULT STE. MARIE INTERNATIONAL BRIDGE

Regular annual maintenance and bridge inspection activities dominated the schedule rather than any notable capital investments at this location. Over the course of the present maintenance season, flood coating, sealing and surface treatment, for the U.S. arch, has been completed resulting in 100% coverage of the pair of arches. Additionally, the concrete top of Pier 20, a critical component located over a complex underlying landscape, was recapped to ensure its resiliency to future moisture encroachment. While a major rehabilitation project is being undertaken at the nearby Soo Locks, the bridge is being monitored for seismic effects resulting from that construction.

Standard, scheduled bridge and facilities maintenance remain the ongoing focus for the Sault Ste. Marie International Bridge.

5.2.3 AT THE BLUE WATER BRIDGE

A targeted construction project was completed to introduce a loop roadway segment to the Canadian bridge plaza. This Emergency Return Road project offers a pathway to facilitate the removal of obstructing vehicles, the secure return to the United States of vehicles deemed to be inadmissible to Canada and to provide US-bound commercial vehicles with access to customs brokerage facilities housed in the FBCL Administration building.

The demolition of a disused administration facility was also completed freeing up space that will facilitate the future deployment of new bridge plaza amenities. In conjunction with the demolition, a consolidated security operations centre was deployed to increase overall facilities security as well as improve the efficiency of emergency responses at the bridge.

Miscellaneous small scale rehabilitation and renovation projects have also occurred at Blue Water Bridge. Trench drainage at the Canadian Border Services Agency's primary commercial inspection lanes was rebuilt to hasten water removal and improve safety during icy conditions in a high traffic area. Additionally, a renovation of the toll building to provide much needed updates and promote a better and more efficient use of space commenced in February.

With the completion of all of the principle objectives of the earlier planning cycle, FBCL has commissioned the definition of a new Master Plan for the Canadian plaza of the Blue Water Bridge with a focus on improved income generation. To that end, the assessment phase of the endeavour completed in 2019-20 sought to review possible commercial development of the plaza site as well as to optimise and streamline existing operations to improve profitability. Based on individual business cases supporting each proposed activity, the execution phase of the rejuvenated Master Plan that will tabled in 2020-21 will schedule short, medium and long term redevelopment items needed to ensure the continued vitality and relevance of the bridge plaza site.

As part of an ongoing focus on understanding commercial customers and their needs, FBCL initiated a virtual user forum by reaching out to key Blue Water Bridge frequent user account holders. This led to positive results by allowing FBCL to understand trends within the truck company' business lines, as well as an understanding of how FBCL crossings are perceived by the Corporation's most vital commercial operators. These initial contact points have established a foundation for future user roundtable panels discussions that are anticipated to meet once a year to communicate developments at the crossing, as well as receiving input from the operators on the perceived effectiveness of operations and changes. Initial interactions asserted that the Blue Water Bridge is popular among international carriers and is felt to be an efficient crossing. Conversation also provided commercial customers with previously unknown and meaningful insight into the operations at the crossing.

In support of its greening initiatives, FBCL launched a pilot program at two sites, including Blue Water Bridge, that offers drivers of electric vehicles with the security of DC fast charging electrical supply services at this bridge. FBCL's electric vehicle support program offers high capacity 25 kW units with support for all existing connector types in order to get drivers back on the road quickly.

5.2.4 AT THE THOUSAND ISLANDS INTERNATIONAL BRIDGE

In January 2020, the Corporation announced the renewal of its ten-year operating agreement with Thousand Islands Bridge Authority (TIBA). This multi-generational agreement, first established in 1976, enables the management and operation of joint bridge assets owned by Canada and the United States. The agreement addresses many topics pertaining to bridge operations, management, standards, toll rates, capital improvements, safety, security, and regional promotion.

A renewal of the facility's toll management system and tolling infrastructure was completed in June 2019. This modernisation sets a foundation for further technological innovation in the area of customer-facing automation.

This location is the second where FBCL deployed the pilot program to offer drivers of electric vehicles with the security of DC fast charging electrical supply services. Electrical vehicle charging stations at both crossings were installed adjacent to their Duty Free Store.

Regular annual maintenance and bridge inspection activities dominated the operational schedule at this location. The ongoing focus remains on standard, well-scheduled bridge and facilities maintenance.

It must be noted the United States' General Services Administration is presently investing US$215M to refresh and expand their Customs and Border Protection facilities. The modernisation was set to be delivered in two phases with the commercial component planned for early 2020 completion and the balance of the undertaking expected to be completed in late 2022. These works will likely have some impact on the attractiveness of this crossing with travellers during and shortly following the construction.

5.2.5 AT THE SEAWAY INTERNATIONAL BRIDGE

In the context of ongoing bridge and facilities maintenance, a $3M project to replace a mobile maintenance platform under the South Channel Bridge began at the end of 2019. Standard, scheduled bridge and facilities maintenance remain the primary ongoing focus for the Seaway International Bridge.

Demolition of in-water piers of the previously decommissioned North Channel Bridge was successfully completed on budget and ahead of schedule, incorporating accommodations for community stakeholders' expressed desired outcomes as well as involving Mohawk labour participation in accordance with indigenous consultations.

FBCL is in support of the Crown's efforts to resolve long-standing land claims in regards to Crown ownership and use of land on Cornwall Island that includes the Seaway International Bridge. We await the local community's consultation and ratification process of a proposed settlement agreement that is expected to occur in the latter stages of 2020.

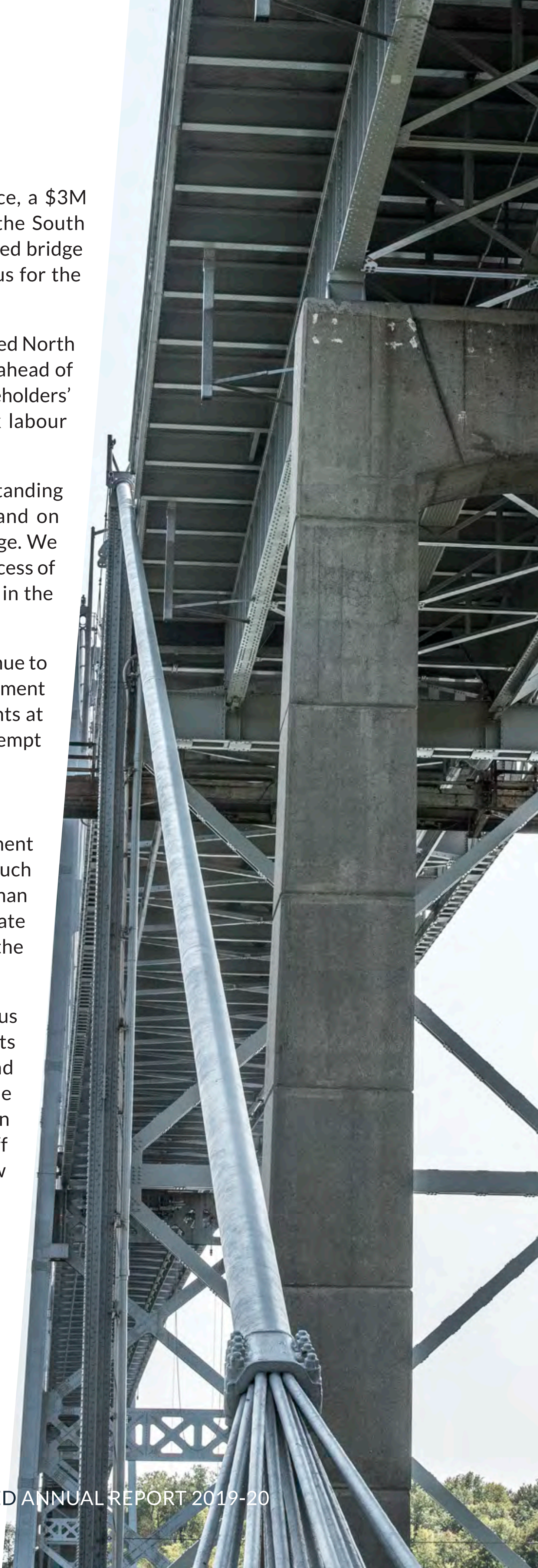
Over the course of the coming fiscal year, FBCL aims to continue to build on its collaboration with the Crown to identify and implement lasting measures to address revenue sustainability constraints at this crossing that result from the significant volume of toll exempt vehicular traffic.

5.3 CORPORATE SERVICES

Corporate Services represent the internal business-management functions of the Corporation, these services include items such as IT support, information management, finance, security, human resources, legal services, communications, audit, and corporate risk management. All functions, which are key enablers to the continued success of our operations.

By driving internal efficiencies, the Corporation is able to focus on its core mandate in support of all Canadians. Investments in technology included major upgrades to core server and networking infrastructure and delivery of new digital tools , the most prominent involving the consolidation and modernisation of the system used for Human Resource management, staff scheduling and payroll at its two operating locations. A new employee intranet portal was also made available.

In the context of Human Resources management, in December 2019, a new collective agreement was reached with the Public Service Alliance of Canada (PSAC) Local 501, thus ensuring continuity of service excellence at Blue Water Bridge. The four-year agreement will span to November 2023, allowing for continued stability as the Corporation maintains its focus on delivering the best quality services to partners and clients.



Also in 2019, the corporation conducted an employee engagement and satisfaction survey to generally favourable outcomes. With an 88% participation level:

80% of employees reported positive levels of job satisfaction

85% reported optimism for the organization's future orientation

86% felt positive regarding staff inclusion and engagement

In addition to this, the Corporation initiated the Community ConneXion outreach and engagement program as a means for staff to demonstrate their intimate ties to their communities through coordinated volunteering and charitable giving activities. Multiple volunteering events were held in Ottawa and Sarnia where staff contributed time and funds to the benefit of local community support organisations helping the under privileged and vulnerable.

Changes to policies, procedures and its collective agreement were completed to implement the requirements of the changes to the Canada Labour Code resulting from the passage of Bill C-86 changes. Continued improvements to various internal policies were made in areas such as Information Management as well as Occupational Health and Safety. Finally, Corporate alignment to improve integration with Crown reporting resources such as those dealing with Access to Information and Privacy disclosures were implemented.

5.4 PERFORMANCE ASSESSMENT

Major Objective	Activities	Expected Results	Performance Measures	Status
Revenue Growth	Toll rate strategies	Continued fiscal stability and operational funding	Completion of St Lawrence crossings traffic study to inform semi-annual fare reviews	**On target.** Toll rates adjusted at SSMIB, BWB and SIB
	Expansion of ConneXion pre-payment program	Consolidated program usable by customers at multiple locations	Expansion to include BWB commercial vehicles and additional FBCL crossings	**On target.** Joint crossing initiative underway
	Deployment of electric vehicles charging stations	Unique capability at FBCL international bridges	Launch of new service	**Completed.** Units in service at BWB and TIIB
	Identification of potential climatic deficiencies that could interrupt long term growth	Climate resiliency	Development of climate impact action plan	**On target.** Climate Change Impact Assessment project to be completed in 2020-21
	Maintain or increase customer amenities and service	In-demand services available at FBCL bridges	Increase in lease revenues	**On target.** In addition to Electric Vehicle Chargers, new BWB Master Plan focused on services commissioned

Major Objective	Activities	Expected Results	Performance Measures	Status
Partners & Relationship	Supporting efficiency & consistency from border partners	Improvement in border wait times	Frequency of local strategic coordination meetings	**On target.** Virtual meetings during pandemic.
	Customer Account Development	Relevant and popular customer programs	Uptake of new programs	**On target.** EZPass / Bestpass implemented at TIIB. ConneXion program at BWB being expanded
	Support of Crown negotiations with MCA for resolution of claim	Settlement Agreement with MCA fully executed	- Funding for Bridge facilities relocation in place (2019-20) - Property transfers completed (TBD 2022-23) - Relocation completed (TBD 2022-23)	**Developing.** Pending community referendum in 2020.
	Mechanism for compensation for the publicly imposed duties resulting from toll-exempt, indigenous crossings and to maintain the solvency of subsidiary SIBC	Establishment of a sustainable funding mechanism	Progress on a funding framework	**Developing.** Significant COVID-19 impact on travellers; Transport Canada amenable to identifying solutions
Technology & Innovation	Real-time predictive traffic analysis	Improved staff and activity scheduling	Deployment of consolidated data aggregation and analysis solution	**On target.** Pending customer data analytics system
	Asset Management Program Development	Asset management system in place	Core of asset planning and budgets defined by asset management program (2020-21)	**On target.** Asset Management policy approved in 2019-20
	Improve toll collection management	Modernised toll management and payment collection systems	- Implementation of systems - Partnerships with multi-toll management providers	**On target.** New system deployed at TIIB. Design consultant retained for other crossings.
	Data mining and targeted messaging	Data driven promotional campaigning	Core of marketing activities defined by data analytics (2020-21)	**Progressing.** Project chartered.

6.0 MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) outlines FBCL's financial results and operational changes for the year ended March 31, 2020. This MD&A should be read in conjunction with FBCL's audited annual consolidated financial statements and accompanying notes for the year ended March 31, 2020. The consolidated financial statements and notes have been prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in thousands of Canadian dollars. All information is current as of June 25, 2020.

Forward-looking statements

Readers are cautioned that this report includes certain forward-looking information. These forward-looking information are generally stated to be anticipated, expected or projected by FBCL. They involve known and unknown risks, uncertainties and other factors, which may cause the actual results and performance of the organisation to be materially different from any future results and performance expressed or implied by such forward-looking information. With the closing of the borders in mid-March due to travel restrictions relating to COVID-19, FBCL is working on establishing new strategies for the upcoming year(s). Consequently, for this annual report, the five-year Corporate Plan for 2020-21 to 2024-25 has not been included.

Materiality

In assessing what information is to be provided in this report, management applies the materiality principle as guidance for disclosure. Management considers information material if it is probable that its omission or misstatement, judged in the surrounding circumstances, would influence the economic decisions of FBCL's stakeholders.

6.1 ANALYSIS OF FINANCIAL RESULTS

Revenue and Portfolio Model

FBCL's funding model intends to generate sufficient revenue to cover disbursements, including debt and capital projects, and to build necessary operational surpluses to fund future repairs and the majority of future capital projects. FBCL's revenues are derived from three primary sources: tolls and services, leases and permits and interest income. In addition, FBCL may receive government funding for certain major capital projects. In the current fiscal year, FBCL did not receive any government funding, however, such funding was received in 2018-19.

The profitability of FBCL is directly attributable to traffic levels that traverse its four international bridge crossings and these are affected by a number of factors, including fluctuating currency exchange rates, the strength/weakness of both the Canadian and U.S. economies, tourism in its local bridge-specific areas, and as of mid-March 2020, COVID-19. FBCL's revenues improve with increases in economic activity of both Canada and the U.S., since its bridges are major international crossings between the two trading nations. Historically, when the U.S. economy is robust or expanding, exports of Canadian products tend to rise. A growing Canadian economy will also result in an increase in the flow of goods, services and people across the two countries' land borders. During 2019-20, overall volumes have been lower than those of the previous year even when excluding the impact of COVID-19.

6.2 CONSOLIDATED FINANCIAL RESULTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Comparison of March 31, 2020 to March 31, 2019

Consolidated Statement of Comprehensive Income ($000's)	March 31, 2020	March 31, 2019	Variance	
	$	$	$	%
Tolls and services	**31,334**	31,020	314	1.0%
Thousand Islands International Bridge revenue	**6,222**	6,038	184	3.0%
Leases and permits	**4,690**	4,910	(220)	-4.5%
Interest	**536**	640	(104)	-16.3%
Other	**324**	175	149	85.1%
Total revenue	**43,106**	**42,783**	**323**	**0.8%**
Operations	**8,200**	7,584	616	8.1%
Thousand Islands International Bridge expenses	**6,218**	6,396	(178)	-2.8%
Maintenance	**14,849**	13,394	1,455	10.9%
CBSA & CFIA operations	**8,102**	7,370	732	9.9%
Administration	**7,365**	8,613	(1,248)	-14.5%
Total expenses	**44,734**	**43,357**	**1,377**	3.2%
Operating loss before government funding and interest	**(1,628)**	**(574)**	**(1,054)**	183.6%
Government funding	**3,535**	3,395	140	4.1%
Interest expense	**(3,891)**	(4,401)	510	-11.6%
Net loss	**(1,984)**	**(1,580)**	**(404)**	**25.6%**
Other comprehensive income				
Actuarial gain (loss)	**551**	(278)	829	-298.2%
Investment revaluations gain	**294**	480	(186)	-38.8%
Total comprehensive loss	**(1,139)**	**(1,378)**	**239**	-17.3%

Revenue

Tolls and Thousand Islands International Bridge revenue: Toll revenues are affected by traffic volume, by the Canadian and US dollar exchange rates, and changes in toll rates. During the year, overall trucks and passenger car volumes have decreased by 2.1% and 2.8%, respectively. Passenger cars varied between a decrease of 7.0% to an increase of 6.2% per bridge. Truck volumes, by bridge, varied between a decrease of 9.6% to an increase of 1.7%. Throughout the year, the exchange rate fluctuated as much as C$0.16 to US$1.00 (2019 – C$0.10 to US$1.00). The exchange rate fluctuated between a low of C$1.29 to US$1.00 to a high of C$1.45 to US$1.00 with an average rate for the year of C$1.33 to US$1.00 (2019 - the exchange rate fluctuated between a low of C$1.26 to US$1.00 and a high of C$1.36 to US$1.00 with an average rate for the year of C$1.32 to US$1.00). Toll rates were updated at the bridges in Sault Ste. Marie and Cornwall effective April 1, 2019, Point Edward effective November 1, 2018 and Thousand Islands effective April 1, 2018.

Leases revenue: There were three vacant properties for part of the current fiscal year and FBCL is working diligently to obtain new tenants in the next fiscal year. In addition, with lower volumes this year, the Duty Free stores have seen a slight decrease in their sales resulting in lower lease revenues for FBCL.

Expenses

During the course of 2019-20, FBCL has revised how expenses are to be allocated to the various expense lines on the consolidated statement of comprehensive income. Consequently, the variance analysis below includes such movements between expenses. Note 23 of the consolidated financial statements provides further details on expenses by their nature.

Operations: The Security Operations Center began in the current fiscal year resulting in $0.4M of operating costs for the Center. In addition, consultant costs have increased by $0.4M (primarily for the redesign of the Bluewater Bridge master plan). Moreover, $0.3M of costs have been reallocated from operations to other expense lines (primarily for depreciation, insurance and payment in lieu of taxes).

Thousand Islands International Bridge expenses: Direct costs incurred by Thousand Islands Bridge Authority (TIBA) have decreased by $0.2M.

Maintenance: Reclassifications of expenses have resulted in $0.3M increase in salaries, and $0.6M in other costs (primarily insurance, utilities, and payment in lieu of taxes). In addition, the adjustments in the prior and current years to the provision for demolition of the in-water piers in Cornwall resulted in expenses being $0.2M lower this year (refer to note 14 for more information about provisions), salaries have increased by $0.4M, and overall depreciation has decreased by $0.2M with the main factors being that the depreciation of the repaving of the Blue Water Bridge was accelerated in the prior year which is offset by new assets becoming operational this year (Cornwall Island Roadway project and the Point Edward Emergency Road Return). In addition, with the implementation of IFRS 16, the non-lease component of $0.1M (maintenance, utilities) have been reclassified from Administration expense to Maintenance expense (refer to note 18 of the consolidated financial statements for more details on leasing related expenses).

CBSA/CFIA: The reallocation as well as the current year costs of payments in lieu of taxes result in an increase of $0.3M and other operating costs are $0.2M higher. Depreciation is $0.2M higher due to reclassification of depreciation expense.

Administration: Reclassification of expenses have resulted in $0.3M decrease in salaries and $0.4M for other costs (primarily payments in lieu of taxes and insurance). Depreciation of $0.1M has been reallocated to other expense lines and is offset by an increase of $0.4M primarily due to the recognition of the right–of-use assets (refer to note 11 of the consolidated financial statements for more information). However, this increased depreciation is offset by a decrease in lease operating costs of $0.3M (refer to note 19 of the consolidated financial statements for more details on leasing related expenses). Other reductions of expense came about from a decrease in consultation costs of $0.2M and salaries of $0.4M due to lower number of administrative full-time employees.

Government funding and interest expense

Government funding: Government funding consists of amortisation of amounts relating to capital projects that are in service and is $0.1M higher this year as the Cornwall Island Roadway rehabilitation has been completed and has been in use for the entire fiscal year.

Interest expense: Interest expense is $0.5M lower than the prior year as FBCL has made regular principal repayments on its debt as well as repaying tranches of loans as they become due for renewal. One loan, in the amount of $2.3M, was repaid at the beginning of 2019-20.

Other comprehensive income

Actuarial gain (loss): In the current year, the discount rate increased by 0.4% resulting in a decrease to the accrued benefit obligation and an actuarial gain, whereas in the prior year, the discount rate had decreased by 0.2% resulting in an increase to the accrued benefit obligation and an actuarial loss (refer to note 21 of the Consolidated financial statements for more information on employee benefits).

Investment revaluation gain: FBCL holds numerous bonds as part of its investment portfolio. FBCL's business model is to achieve both collecting contractual cash flows and selling of these assets in order to achieve an appropriate diversification of its bond portfolio. Consequently, the value of the bonds held by FBCL are subject to fluctuation based in the market interest rates, which can result in either a revaluation gain or loss. During the year, FBCL's investment rate of return on its bonds was more favourable than the market rate resulting in a revaluation gain.

6.3 CONSOLIDATED STATEMENT OF INCOME

Comparison to budget

The following is a summary of actual revenues and expenses as compared to the 2019 to 2024 Corporate Plan:

Consolidated Statement of Income ($000's)	Budget 2020	**March 31, 2020**	Variance favourable (unfavourable)	
	$	**$**	$	%
Revenues and Government Funding				
Tolls and Thousand Islands International Bridge revenue	38,979	**37,556**	(1,423)	-3.7%
Other revenue	5,804	**5,550**	(254)	-4.4%
Government funding	3,506	**3,535**	29	0.8%
Total Revenues and Government Funding	48,289	46,641	(1,648)	-3.4%
Operating and Interest expenses				
Operations	5,961	**5,564**	397	6.7%
Thousand Islands International Bridge expenses	4,587	**4,656**	(69)	-1.5%
Maintenance	6,070	**6,342**	(272)	-4.5%
CBSA & CFIA operations	3,295	**3,793**	(498)	-15.1%
Administration	7,732	**6,492**	1,240	16.0%
Depreciation	18,408	**17,887**	521	2.8%
Interest	3,889	**3,891**	(2)	-0.1%
Total Operating and Interest expenses	49,942	48,625	1,317	2.6%
Net loss	(1,653)	**(1,984)**	(331)	-20.0%

Revenues and Government Funding

Tolls and Thousand Islands International Bridge revenue: In the budget, revenues were expected to be similar to the prior year taking into consideration increases in toll rates as volumes were not expected to fluctuate significantly. However, during the year, overall trucks and passenger car volumes have decreased by 2.1% and 2.8% respectively.

Other revenue: The main fluctuation is in leases revenues. There were three vacant properties for part of the current fiscal year and FBCL is working diligently to obtain new tenants in the next fiscal year. In addition, with lower volumes this year, the Duty Free stores have seen a slight decrease in their sales resulting in lower lease revenues for FBCL.

Government funding: The amortisation of the deferred capital funding is comparable to budget.

Operating and Interest Expenses

Since toll volumes were measurably lower than expected, FBCL closely monitored its expenses by postponing certain expenses to the following fiscal year or cancelling other expenses.

Operations: The difference is made up of numerous small differences in salaries and other general operating costs with the only more significant difference being the reallocation of certain costs from operations to other departments of $0.2M (primarily for insurance and payments in lieu of taxes).

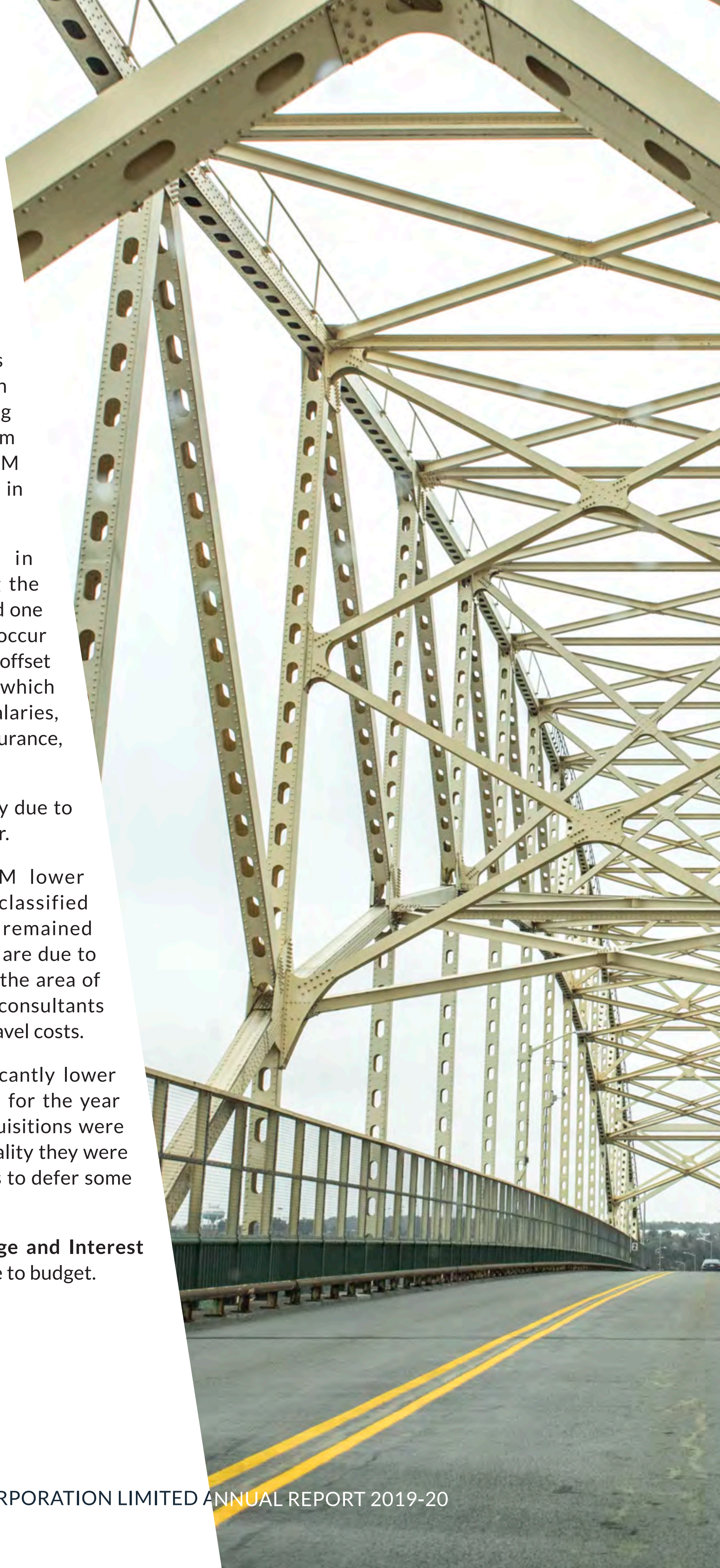
Maintenance: Certain positions in maintenance remained vacant during the year resulting in a $0.2M of savings and one significant consultant project did not occur resulting in lower costs of $0.5M. This is offset by the reclassifications of expenses which have resulted in $0.3M increase in salaries, and $0.6M in other costs (primarily insurance, utilities, payment in lieu of taxes).

CBSA/CFIA: The difference is primarily due to the payments in lieu of taxes for the year.

Administration: Salaries are $0.7M lower as certain positions have been reclassified to maintenance or positions have remained vacant during the year. The remaining are due to various smaller variances primarily in the area of information technology acquisitions, consultants costs, advertising and promotion and travel costs.

Depreciation: Depreciation is significantly lower primarily because capital acquisitions for the year were significantly below budget. Acquisitions were anticipated to be $13.9M while in actuality they were $4.5M, as management made decisions to defer some significant projects to future years.

Thousand Islands International Bridge and Interest expenses: The expenses are comparable to budget.

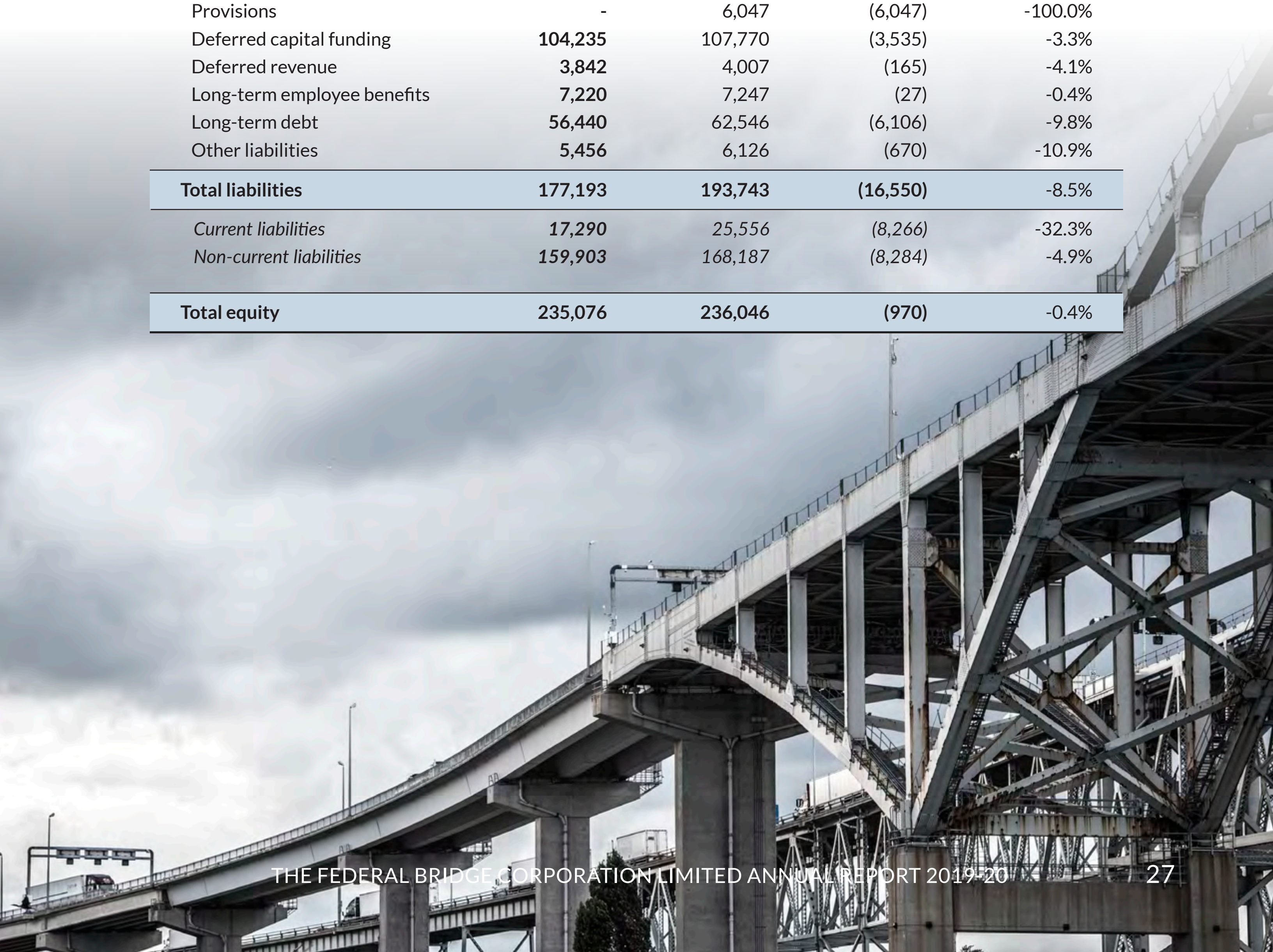


6.4 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Comparison of March 31, 2020 to March 31, 2019

At the fiscal year ended March 31, 2020, the Consolidated Statement of Financial Position for FBCL was reflected in the following manner:

Consolidated Statement of Financial Position ($000's)	March 31, 2020	March 31, 2019	Variance	
	$	$	$	%
Assets				
Financial assets	**28,165**	33,300	(5,135)	-15.4%
Non-financial assets	**383,554**	395,407	(11,853)	-3.0%
Other assets	**550**	1,082	(532)	-49.2%
Total assets	**412,269**	**429,789**	**(17,520)**	-4.1%
Current assets	***26,511***	*31,147*	*(4,636)*	-14.9%
Non-current assets	***385,758***	*398,642*	*(12,884)*	-3.2%
Liabilities				
Provisions	-	6,047	(6,047)	-100.0%
Deferred capital funding	**104,235**	107,770	(3,535)	-3.3%
Deferred revenue	**3,842**	4,007	(165)	-4.1%
Long-term employee benefits	**7,220**	7,247	(27)	-0.4%
Long-term debt	**56,440**	62,546	(6,106)	-9.8%
Other liabilities	**5,456**	6,126	(670)	-10.9%
Total liabilities	**177,193**	**193,743**	**(16,550)**	-8.5%
Current liabilities	***17,290***	*25,556*	*(8,266)*	-32.3%
Non-current liabilities	***159,903***	*168,187*	*(8,284)*	-4.9%
Total equity	**235,076**	**236,046**	**(970)**	-0.4%



Assets

Financial assets: Overall cash and investments have decreased by $4.8M. Significant spending relates to the purchase of internally funded capital projects, payments towards the decommissioning of the in-water piers in Cornwall, as well as repayment of long-term debt (refer to the cash flow discussion below for additional information). Furthermore, trade and other receivables have decreased by $0.3M primarily due to lower parliamentary appropriations receivable at year-end.

Non-financial assets: Non-financial assets include property & equipment, investment properties, and intangible assets. With the implementation of IFRS 16, a right of use asset of $1.6M was recorded on the consolidated statement of financial position (refer to note 11 of the consolidated financial statements for further details on the right of use asset). Current year acquisitions are $4.5M and depreciation for the year is $17.9M. The significant acquisitions are in Point Edward and include the construction of new variable messaging signs, construction of an emergency access ramp that will provide faster access for emergency vehicles to the bridge structures and enhanced border control, demolition of older buildings that will allow for further development of the toll plaza, and acquisition of equipment to allow easier maintenance and inspections of the bridges.

Liabilities

Provisions: Provisions relate to the decommissioning of the in-water piers in Cornwall which has been completed in the current fiscal year.

Deferred capital funding: The difference is comprised solely of amortisation of deferred capital funding as no new funding has been received in the current fiscal year.

Long-term debt: Bonds and loans payable have decreased by $5.1M and $2.4M respectively due to regular payments as well as a loan repayment of $2.3M. As a result of implementing IFRS 16, a lease liability of $1.5M is now recognised on the consolidated statement of financial position (refer to note 19 of the consolidated financial statements for further details on the lease liability).

Other liabilities: As significant projects were completed in during the year, holdbacks were released thus resulting in a decrease of $0.7M in holdbacks.

Deferred revenues and Long-term employee benefits: The balances are comparable to the prior year.

6.5 CONSOLIDATED STATEMENT OF CASH FLOW

Consolidated Statement of Cash Flows ($000's)	**March 31, 2020**	March 31, 2019	Variance
	$	$	$
Net cash generated by operating activities	**7,239**	12,155	(4,916)
Net cash generated by (used by) investing activities	**(1,178)**	197	(1,375)
Net cash used in financing activities	**(7,768)**	(8,357)	589
Foreign exchange on cash balance	**35**	35	-
Net increase (decrease) in cash	**(1,672)**	**4,030**	**(5,702)**

Net cash generated by operating activities: Cash flow from operations reached $12.8M (2019 – $13.3M) offset by a decrease to changes in the working capital of $5.6M (2019 – decrease of $1.1M). The most significant difference in the change in the working capital is the costs incurred for the Cornwall in-water pier demolition of $6.0M.

Net cash generated by (used by) investing activities: Along with opening cash and the $8.4M of net cash generated by operating activities, net investments of $3.4M were liquidated in order to pay $5.0M for the purchase of internally funded capital assets and $7.8M for repayment of long-term debt. In addition, the remaining government funding of $0.4M from the prior year was received this year.

Net cash used by financing activities: Financing activities relate solely to the principal repayment of loans payable, bonds payable and lease liability.

6.6 REPORT ON ANNUAL EXPENDITURES FOR TRAVEL, HOSPITALITY, AND CONFERENCES FOR 2019-20

Effective July 2015, Crown corporations have been instructed per section 89 of the *FAA* to align their travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with their legal obligations. FBCL has complied and continues to comply with this directive. As per the Treasury Board requirements, this report provides information on the total annual expenditures for each of travel, hospitality, and conferences for FBCL for the fiscal year ending March 31, 2020.

Expenditures on travel, hospitality, and conference fees incurred by FBCL are directly related to supporting its mandate, in particular, the portfolio of international bridges at four locations in Sault Ste. Marie, Point Edward, Lansdowne and Cornwall.

Annual expenditures for Travel, Hospitality, and Conferences of FBCL:

Year ending March 31 ($000's)	**2020**	2019
	$	$
Travel	**229**	231
Hospitality	**6**	2
Conferences	**38**	37
Events	**0**	3
Total	**273**	273

6.7 COMPLIANCE WITH DIRECTIVE ON PENSION PLANS

FBCL is subject to directives pursuant to Section 89 of the FAA. By Order in Council P.C. 2014-1382 dated December 10, 2014, FBCL is to ensure that the pension plans will provide:

(i) a 50:50 current service cost-sharing ratio between employee and employer for pension contributions, to be phased in for all members by December 31, 2017, and,

(ii) for any employee hired on or after January 1, 2015, that the normal age of retirement is raised to 65 years and that the age at which retirement benefits are available, other than those received at the normal age of retirement, corresponds with the age at which they are available under the Public Service Pension Plan.

FBCL has complied and continues to comply with this directive.

7.0 CONSOLIDATED FINANCIAL STATEMENTS

FEDERAL BRIDGE CORPORATION
SOCIÉTÉ DES PONTS FÉDÉRAUX

CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

The Federal Bridge Corporation Limited

March 31, 2020

SECTION CONTENTS

Management's Responsibility for Financial Statements

The consolidated financial statements contained in this Annual Report have been prepared by The Federal Bridge Corporation Limited (FBCL) management in accordance with International Financial Reporting Standards (IFRS). The integrity and objectivity of the data in these consolidated financial statements is the responsibility of FBCL management and the management of its wholly-owned subsidiary, The Seaway International Bridge Corporation, Ltd. (SIBC), which reports directly to an independent Board of Directors.

It is necessary for management to make assumptions and estimates based on information available at the date of the consolidated financial statements. Areas where FBCL management and management of its wholly owned subsidiary have made significant estimates and judgements include components and associated useful lives of property and equipment, intangible assets, and investment properties, impairment testing, inputs for the calculation of employee benefits plans, classification of leases in which FBCL is the lessor, classification of joint arrangements, presentation of The Thousand Island Bridge Authority (TIBA) operations, and asset decommissioning liability. FBCL management is also responsible for all other information in the Annual Report and for ensuring that this information is consistent, where appropriate, with the information and data contained in the consolidated financial statements.

In support of its responsibility, FBCL management prepares the consolidation of the financial statements. FBCL management and the management of its wholly owned subsidiary have developed and maintain books of account, records, financial and management controls, information systems and management practices for their respective financial statements. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions are in accordance with Part X of the *Financial Administration Act*, the *Economic Action Plan 2013 Act*, No. 2, the *Canada Marine Act*, the *Canada Business Corporations Act*, and the regulations, articles, and by-laws of FBCL and its wholly-owned subsidiary, as well as the directives issued pursuant to section 89 of the *Financial Administration Act*.

The FBCL Board of Directors is composed of six directors who are not employees of FBCL and one director who is the CEO of FBCL. The Board of Directors of FBCL's wholly owned subsidiary is composed of eight directors who are currently employees of either FBCL or SLSDC (FBCL's partner at its wholly owned subsidiary). The FBCL Board of Directors and the Board of Directors of its wholly owned subsidiary are responsible for ensuring that each corporation's management fulfils their responsibilities for financial reporting and internal control. The Board of Directors of the wholly owned subsidiary reports directly to the FBCL Board of Directors. The FBCL Board of Directors and the Board of Directors of its wholly owned subsidiary exercise their responsibilities through their own Audit Committees comprised of Board of Directors members. Each Audit Committee meets with management and the independent external auditor to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls, and other relevant financial matters. The Audit Committee of FBCL's wholly owned subsidiary has reviewed its respective financial statements with its external auditors, The Auditor General of Canada. The wholly owned subsidiary's Board of Directors has approved and submitted its financial statements together with the external auditor's report to the FBCL (parent) Board of Directors. The FBCL Audit Committee has discussed the consolidated financial statements with the external auditor, The Auditor General of Canada, and has submitted its report to the FBCL Board of Directors. The Auditor General of Canada is responsible for auditing the consolidated financial statements and for issuing her report thereon. The FBCL Board of Directors has reviewed and approved the consolidated financial statements.

Natalie Kinloch

Natalie Kinloch, CPA, CA
Chief Executive Officer

Richard Iglinski, CPA, CMA
Chief Financial Officer

June 25, 2020

Independent Auditor's Report

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Transport

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Federal Bridge Corporation Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of The Federal Bridge Corporation Limited and its wholly-owned subsidiary coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the Financial Administration Act and regulations, the Canada Business Corporations Act and regulations, the Economic Action Plan 2013 Act, No. 2, the Canada Marine Act and regulations, the articles and by-laws of The Federal Bridge Corporation Limited and its wholly owned subsidiary, and the directives issued pursuant to section 89 of the Financial Administration Act.

In our opinion, the transactions of The Federal Bridge Corporation Limited and its wholly-owned subsidiary that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the Financial Administration Act, we report that, in our opinion, the accounting principles in IFRSs have been applied, except for the change in the method of accounting for leases as explained in Note 3 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for The Federal Bridge Corporation Limited and its wholly-owned subsidiary's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable The Federal Bridge Corporation Limited and its wholly-owned subsidiary to comply with the specified authorities.

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

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

Firyal Awada, CPA, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
25 June 2020

Consolidated Statement of Financial Position

(in thousands of Canadian dollars)

As at	Notes	**March 31 2020**	March 31 2019
		$	$
Assets			
Current Assets			
Cash and cash equivalents	8	**7,382**	9,054
Investments	9	**17,847**	19,988
Trade and other receivables	10	**936**	1,258
Prepaids		**346**	847
Total Current Assets		**26,511**	31,147
Non-Current Assets			
Property and equipment	11	**364,708**	375,931
Investment properties	12	**18,777**	19,399
Intangible assets	13	**69**	77
Lessor inducement		**204**	235
Investments	9	**2,000**	3,000
Total Non-Current Assets		**385,758**	398,642
Total Assets		**412,269**	429,789
Liabilities			
Current Liabilities			
Trade and other payables		**4,041**	3,706
Employee benefits		**1,327**	1,357
Provisions	14	**-**	6,047
Holdbacks	15	**88**	811
Deferred revenue	16	**2,476**	2,490
Current portion of loans payable	17	**132**	2,419
Current portion of bonds payable	18	**5,540**	5,191
Current portion of lease liability	19	**182**	-
Current portion of deferred capital funding	20	**3,504**	3,535
Total Current Liabilities		**17,290**	25,556
Non-Current Liabilities			
Loans payable	17	**2,943**	3,075
Bonds payable	18	**46,320**	51,861
Lease liability	19	**1,323**	-
Employee benefits	21	**7,220**	7,247
Deferred revenue	16	**1,366**	1,517
Deferred capital funding	20	**100,731**	104,235
Lessee inducement		**-**	252
Total Non-Current Liabilities		**159,903**	168,187
Equity			
Share capital - 2 shares @ no par value	22	**-**	-
Retained earnings		**234,525**	235,789
Accumulated other comprehensive income		**551**	257
Total Equity		**235,076**	236,046
Total Equity and Liabilities		**412,269**	429,789
Contingent liabilities	26		
Commitments	27		

Approved by the Board of Directors

Director **Director**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended March 31

(in thousands of Canadian dollars)

	Notes	**2020**	2019
		$	$
Revenue			
Tolls and services		**31,334**	31,020
Leases and permits		**4,690**	4,910
Thousand Islands International Bridge revenue		**6,222**	6,038
Interest		**536**	640
Other		**324**	175
Total Revenue		**43,106**	42,783
Expenses			
Operations		**8,200**	7,584
Thousand Islands International Bridge expenses		**6,218**	6,396
Maintenance		**14,849**	13,394
Canada Border Security Agency & Canadian Food Inspection Agency operations		**8,102**	7,370
Administration		**7,365**	8,613
Total Expenses	23	**44,734**	43,357
Operating Loss Before Government Funding		**(1,628)**	(574)
Government Funding			
Amortisation of deferred capital funding	20	**3,535**	3,395
Total Government Funding		**3,535**	3,395
Non-Operating Items			
Interest expense		**(3,891)**	(4,401)
Total Non-Operating Loss		**(3,891)**	(4,401)
Net loss		**(1,984)**	(1,580)
Other Comprehensive Income (Loss)			
Items that will not be reclassified subsequently to net income			
Actuarial gain (loss)	21	**551**	(278)
Items to be reclassified to net income when specific conditions are met			
Revaluation gain (loss) on fair value through other comprehensive income investments		**285**	(72)
Cumulative gain reclassified to income on sale of fair value through other comprehensive income investments		**9**	552
Total Other Comprehensive Income		**845**	202
Total Comprehensive Loss for the Year		**(1,139)**	(1,378)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended March 31

(in thousands of Canadian dollars)

	Notes	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
		$	$	$
Balance as at April 1, 2018		237,647	(223)	237,424
Total Comprehensive Income (Loss):				
Net loss		(1,580)	-	(1,580)
Other Comprehensive Income (Loss):				
Actuarial loss	**21**	(278)	-	(278)
Revaluation gain (loss) on fair value through other comprehensive income investments		-	(72)	(72)
Cumulative gain reclassified to income on sale of fair value through other comprehensive income investments		-	552	552
Total Other Comprehensive Income (Loss)		(278)	480	202
Total Comprehensive Loss		(1,858)	480	(1,378)
Balance at March 31, 2019		235,789	257	236,046
Impact of changes in accounting policy	**3**	169	-	169
Opening Balance at April 1, 2019		235,958	257	236,215
Total Comprehensive Income (Loss):				
Net loss		(1,984)	-	(1,984)
Other Comprehensive Income (Loss):				
Actuarial gain	**21**	551	-	551
Revaluation gain (loss) on fair value through other comprehensive income investments		-	285	285
Cumulative gain reclassified to income on sale of fair value through other comprehensive income investments		-	9	9
Total Other Comprehensive Income		551	294	845
Total Comprehensive Loss		(1,433)	294	(1,139)
Balance at March 31, 2020		**234,525**	**551**	**235,076**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended March 31

(in thousands of Canadian dollars)

	Notes	2020	2019*
		$	$
Cash Flows from Operating Activities			
Net loss		**(1,984)**	(1,580)
Adjustments for:			
Amortisation of deferred capital funding	**20**	**(3,535)**	(3,395)
Depreciation of property and equipment	**11**	**17,172**	16,717
Depreciation of investment properties	**12**	**694**	684
Depreciation of intangible assets	**13**	**21**	8
Gain on disposal of assets		**(15)**	(13)
Loss on sale of investments		**9**	72
Change in employee benefits		**494**	840
Foreign exchange gain		**(35)**	(35)
		12,821	13,298
Changes in Working Capital:			
Trade and other receivables		**(57)**	119
Lessor inducement		**31**	15
Prepaids		**501**	(216)
Trade and other payables		**155**	(595)
Lessee inducement		**-**	1
Provisions	**14**	**(6,047)**	(245)
Deferred revenue	**16**	**(165)**	(222)
		(5,582)	(1,143)
Net Cash Generated by Operating Activities		**7,239**	12,155
Cash Flows from Investing Activities			
Payments for property and equipment		**(4,902)**	(14,086)
Payments for investment properties		**(72)**	-
Payments for intangible assets		**(13)**	(67)
Government funding related to acquisitions of property and equipment received		**368**	5,484
Proceeds on disposal of property and equipment		**15**	30
Proceeds on sale of investments		**6,079**	12,343
Purchase of investments		**(2,653)**	(3,507)
Net Cash Generated by (Used by) Investing Activities		**(1,178)**	197
Cash Flows from Financing Activities			
Repayment of loans payable		**(2,419)**	(3,494)
Repayment of bonds payable		**(5,192)**	(4,863)
Repayment of lease liability		**(157)**	-
Net Cash Used by Financing activities		**(7,768)**	(8,357)
Foreign exchange gain on cash and cash equivalents held in foreign currency		**35**	35
Net (decrease) increase in cash and cash equivalents		**(1,672)**	4,030
Cash and cash equivalents at the beginning of the year		**9,054**	5,024
Cash and Cash Equivalents at the End of the Year	8	**7,382**	9,054
Supplemental disclosure on cash flow information			
Interest received included in operating activities		**581**	656
Interest paid included in operating activities		**3,973**	4,275

The accompanying notes form an integral part of these consolidated financial statements.
* Change made to the presentation of the comparative figures (Note 30)

1. Authority and Activities

The Federal Bridge Corporation Limited (the "Corporation") is a *Canada Business Corporations Act* (CBCA) corporation listed in Schedule III Part 1 of the *Financial Administration Act* (FAA). It is an agent of Her Majesty, not subject to income tax under the provisions of the *Income Tax Act*. It is a parent Crown Corporation that reports to the Parliament of Canada through the Minister of Transport. The Corporation resulted, on February 1, 2015, from an amalgamation between the legacy The Federal Bridge Corporation Limited (the "legacy FBCL"), which was a parent Crown corporation, with its subsidiary, St. Mary's River Bridge Company (SMRBC), on January 27, 2015, and with another parent Crown corporation Blue Water Bridge Authority (BWBA). This was done in accordance with the authorities provided by the *Economic Action Plan 2013 Act, No. 2*. The remaining planned amalgamation in this Act, with the Corporation's wholly owned subsidiary, The Seaway International Bridge Corporation Ltd. (SIBC), has not been realised to date.

The Corporation's primary activities involve the ownership and operation of four international bridges linking the Province of Ontario in Canada to the State of New York or the State of Michigan in the United States of America (U.S.). Moreover, the Corporation may also undertake other activities incidental to the bridge business.

The Corporation's wholly-owned subsidiary, SIBC, operates the Seaway International Bridge crossing in Cornwall as a joint operation (as described in note 6) per agreement between the Corporation as Canadian owner and The St. Lawrence Seaway Development Corporation (SLSDC) as U.S. owner. As a Crown corporation, SIBC is also subject to the same authorities as the Corporation. The Corporation is also a party to two other agreements for the operation of the international bridges. In regards to the Sault Ste. Marie International Bridge, this agreement is with the U.S. owner, the Michigan Department of Transportation (MDOT). The bridge oversight is through a joint international entity, Sault Ste. Marie Bridge Administration (SSMBA), and its operation is done by the International Bridge Authority (IBA), an entity of MDOT. The agreement applicable to the operations of the Thousand Islands International Bridge is also with the U.S. owner, the Thousand Islands Bridge Authority (TIBA), an entity of Jefferson County, State of New York. At the Blue Water Bridge crossing between Point Edward, Ontario, and Port Huron, Michigan, the Corporation owns and operates the Canadian portion of the crossing. The U.S. side of the crossing is owned and operated by MDOT.

By Order in Council P.C. 2015-31 dated January 26, 2015, the Corporation was granted all necessary approvals of the *International Bridges and Tunnels Act* for the purposes of ownership and management of the international bridges under the Corporation's portfolio. The *Customs Act*, *section 6* requires the Corporation to provide, equip and maintain, free of charge, adequate buildings, accommodations or other facilities for customs and the Canada Border Services Agency (CBSA). Similar provisions in the *Plant Protection Act* and the *Health of Animals Act* mandate similar support for the Canadian Food Inspection Agency (CFIA) based at the land crossings. The subsidiary, SIBC, is also subject to the *Canada Marine Act* for the purposes of the management of the international bridge that crosses the St. Lawrence River.

The Corporation is subject to directives pursuant to Section 89 of the FAA. By Order in Council P.C. 2014-1382 dated December 10, 2014, the Corporation is:

(a) to ensure that the pension plans will provide
   (i) a 50:50 current service cost-sharing ratio between employee and employer for pension contributions, to be phased in for all members by December 31, 2017; and;
   (ii) for any employee hired on or after January 1, 2015, that the normal age of retirement is raised to 65 years and that the age at which retirement benefits are available, other than those received at the normal age of retirement, corresponds with the age at which they are available under the Public Service Pension Plan; and,

(b) to outline its implementation strategies with respect to the commitments set out in paragraph (a) in its next corporate plan and subsequent corporate plans until the commitments are fully implemented.

The Corporation was in full compliance with the directive as of December 31, 2017 and continues to comply with the directive.

By Order in Council P.C. 2015-1114 dated July 16, 2015, the Corporation was also directed to align its policies with the travel, hospitality, conference and event expenditure policies, directives, and other related instruments issued by the Treasury Board pursuant to Section 89 of the FAA as follows:

1. Authority and Activities *(continued)*

(a) to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations; and,

(b) to report on the implementation of this directive in its next corporate plan.

The Corporation complied with this directive in the 2016-17 fiscal year and continues to comply with the directive.

The registered office of the Corporation is 55 Metcalfe, Suite 200, Ottawa, Ontario, K1P 6L5.

The consolidated financial statements were approved and authorised to issue by the Board of Directors on June 25, 2020.

2. Basis of Presentation and Significant Accounting Policies

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

Basis of Preparation

The financial statements are consolidated as a result of the ownership in the joint operations and have been prepared on the historical cost basis as explained in the accounting policies below, except as permitted by IFRS and otherwise indicated within these notes.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Corporation takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and,
- Level 3 inputs are unobservable inputs for the asset or liability.

The significant accounting policies are set out below.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2. Basis of Presentation and Significant Accounting Policies (continued)

When the Corporation undertakes its activities under joint operations, the Corporation as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and,
- its expenses, including its share of any expenses incurred jointly.

The Corporation accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses. The Corporation has assessed that two of its crossings meet the criteria of a joint operation, as explained in note 6. These crossings are at the Cornwall and Sault Ste. Marie international bridges.

Accounting for the Thousand Islands International Bridge

The Corporation records its proportionate share of the Thousand Islands International Bridge revenues and expenses, which consists of 50% gross revenues, 50% gross expenses other than CBSA/CFIA expenses, 100% of CBSA/CFIA expenses, and 50% depreciation of property and equipment. Similar to the revenue recognition policy below, gross revenues for the Thousand Islands International Bridge are recorded when the passenger vehicle users or commercial trucking companies cross the bridge.

The Corporation is responsible for the ownership and major maintenance of the bridges on the Canadian side of the border and as a result, the acquisitions of property and equipment and investment properties are recognised as assets by the Corporation. The Corporation has no interest in the assets or liabilities of TIBA.

Government Funding

The Corporation is financed using its own operating income. The Corporation receives federal government funding for specific acquisitions of major property and equipment and investment properties. Government funding is recognised as a receivable when the related expenditure is incurred.

Government funding for property and equipment and investment properties that are subject to depreciation are recorded as deferred capital funding on the Consolidated Statement of Financial Position in the fiscal year in which the purchase is recorded, with income being recognised in the Consolidated Statement of Comprehensive Income on the same basis and over the same years as the assets acquired using the government funding.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Corporation provides access to use the bridge to customers in exchange for a fixed fare. Revenues are recognised when control of the services have transferred and there is no unfulfilled obligation that could affect the customer receiving the services. For the Corporation, control is transferred, and therefore revenue is recognised, at the time the customer crosses the bridge. Where customers prepay tolls, these amounts are included in deferred revenue until the customer crosses the bridge. A receivable is recognised when customers cross the bridge, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Leases and permits revenue is recognised when services are rendered. Minimum lease payments, including lease incentives, relating to operating leases that the lessee is required to make, excluding contingent rent, are recognised on a straight-line basis over the life of the non-cancellable portion of the lease while contingent rent is recognised when earned. These revenues include payments received from tenants including Duty Free stores, commercial custom brokers, logistics companies, and travel and tourism office. All of the Corporation's leases in which the Corporation is the lessor are operating leases.

2. Basis of Presentation and Significant Accounting Policies *(continued)*

Deferred revenue represents tolls paid in advance by passenger vehicle users and commercial trucking companies, which represent contract liabilities per IFRS 15 – *Revenue from Contracts with Customers*, and also includes a prepaid minimal lease payment, which is accounted as leases under IFRS 16 – Leases, relating to an operating lease for a commercial tenant whose operations were expanded. Deferred revenues that will be recognised greater than one year after the reporting period are considered non-current deferred revenue.

Interest is recognised using the effective interest rate method and recorded in the year in which it is earned. The primary component of revenue in this category is interest related to investments.

Functional presentation of expenses

The Corporation's management reviews its expenses by function, therefore its consolidated financial statements are presented as such. Detail surrounding the nature of expenses is detailed in note 22. Functional departments are defined as such:

- Maintenance: expenses related to the maintenance, upkeep, and repair of the Corporation's assets;
- Operations: expenses related to the collection of toll revenue, security, and traffic management;
- Thousand Islands International Bridge: represents the Corporation's share of expenses as a result of the international agreement pertaining to the crossing at the Thousand Islands (see note 4 and note 7);
- CBSA & CFIA operations: The Corporation is required to provide facilities and certain maintenance of these facilities at some of its crossings to the CBSA and the CFIA, for which there is no related revenue; and,
- Administration: the expenses related to the management and oversight of the operations of the Corporation.

Foreign Currencies

Transactions in currencies other than the Corporation's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and the resulting gains (or losses) are recorded in net income as part of revenue (or operating expenses). Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Corporation's proportionate share of the assets and liabilities denominated in foreign currency of SSMBA are translated into Canadian dollars using exchange rates prevailing at the end of each reporting period, with the exception of non-monetary items, which are not retranslated from their exchange rates prevailing at their date of acquisition. Income and expense items are translated at the average exchange rates for each quarter, unless exchange rates fluctuate significantly during that quarter, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in net income.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with maturities of three months or less from the date of acquisition, and are available upon demand.

2. Basis of Presentation and Significant Accounting Policies *(continued)*

Property and Equipment, Investment Properties and Intangible Assets

Items of property and equipment, investment properties, and intangible assets are measured at cost less accumulated depreciation and impairment.

Depreciation is recognised so as to write off the cost of assets (other than land and projects in progress) less their residual values over their useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Property and equipment, investment properties and intangible assets are depreciated over their estimated useful lives, using the straight-line depreciation method, as follows:

Type of Asset	Straight Line
Bridges and roads	5 – 75 years
Vehicles and equipment	5 – 33 years
Buildings	10 – 70 years
Right-of-use	Lease term
Property improvements	10 – 30 years
Investment properties	10 – 70 years
Intangible assets	5 years

An item of property and equipment, investment properties or intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment, investment properties or intangible assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in net income.

Assets in the course of construction are carried at cost. Cost includes design, engineering and professional fees, material inputs and capitalised salaries. Such assets are classified to the appropriate categories of property and equipment, investment properties or intangible assets when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use. Appropriateness of depreciation methods and estimate of useful lives and residual values are assessed on an annual basis. In order to establish useful lives for these assets, management uses its judgment to determine the componentisation of property and equipment, investment properties and intangible assets. A component is accounted for separately, if it is significant in comparison to the value of the entire asset and if its useful life differs from the other components.

Properties are classified as investment properties when the properties are held to earn rental income or future rental is probable. As lessor, when assets are leased out under an operating lease, the asset is included in the Consolidated Statement of Financial Position within property and equipment and investment properties based on their primary use.

Impairment

At the end of each reporting period the Corporation reviews its property and equipment, investment properties, and intangible assets to determine whether there are any indications of impairment. An impairment loss is recognised when an asset's carrying amount exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash inflows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When impairment indicators exist, the useful lives of the assets within the CGU are reviewed in order to determine if these should be re-assessed. For assets that have a remaining value after the impairment is recognised, the useful lives of the assets within the CGU are reviewed in order to determine if the useful lives should be shortened. Any changes in estimated useful lives are recorded on a prospective basis.

2. Basis of Presentation and Significant Accounting Policies (continued)

It has been determined that investment properties represent CGU's that could have an impairment analysis, whereas bridge operations (as a separate CGU) could not have an impairment calculation completed.

Contingencies and Provisions

Provisions reflect the liability associated with retiring certain long-lived assets such as bridges and roads, and other structures, as well as the environmental clean-up of contaminated lands.

A provision is recognised if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Unless the possibility of an outflow of resources embodying economic benefits is remote, a contingent liability is disclosed when a possible obligation has arisen from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation; or when a present obligation has arisen from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The associated provision costs are capitalised as part of the cost of the long-lived asset being demolished or remediated as part of an environmental clean-up, if the long-lived asset is still in use. These costs are then amortised on a straight-line basis over the year to the end of the useful life of the identified asset.

Subsequent to the initial measurement of the provision, the obligation may be adjusted at the end of each year to reflect the passage of time, changes in estimated future cash flows underlying the obligation, and updated assumptions such as discount rates. If the long-lived asset is still in use the changes in the liability shall be added to, or deducted from, the cost of the related long-lived asset. If the long-lived asset has reached the end of its useful life, all subsequent changes in the liability shall be recognised in net income as they occur.

Actual costs incurred to dispose of the asset will reduce the provision. A gain or loss may be incurred upon settlement of the liability.

Leases – as a lessee

At the inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the inception or on reassessment of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices.

The Corporation recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Corporation changes its assessment of whether it will exercise an extension or termination options. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in net income if the carrying amount of the right-of-use asset has been reduced to zero.

In the comparative period, leases were classified as operating leases and were not recognised in the consolidated statement of financial position. Payments made under operating leases were recognised in net income on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Employee Benefits

<u>Retirement and Other Post-Employment Benefits</u>

SIBC employees are covered by the *Public Service Pension Plan* (the Plan), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service costs. Pursuant to legislation currently in place, the Corporation has no legal or

2. Basis of Presentation and Significant Accounting Policies *(continued)*

constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognised as an expense in the year when employees have rendered service and represent the total pension obligation relating to SIBC employees.

Employees of SSMBA participate in the State of Michigan's defined benefits and defined contribution pension plans. Contributions are required by both the employees and the Corporation to cover current service costs. Contributions are recognised as an expense in the year when employees have rendered service and represent the total pension obligation relating to the employees of the SSMBA.

The Corporation's remaining employees participate in a defined contribution private pension plan and the cost of this plan is shared equally by the employees and the Corporation, allowing for additional voluntary contributions by employees. Employer payments to the defined contribution retirement benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions.

The Corporation also provides eligible employees with defined post-employment benefits including health, dental, life insurance and an employee assistance program. For these defined post-employment benefits, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The discount rate used to determine the accrued benefit obligation is based on market rates for non-current high quality bonds. Actuarial gains and losses are reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognised in other comprehensive income in the year in which they occur. Actuarial gains and losses recognised in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to net income. Past service cost is recognised in net income in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and,
- actuarial gains and losses.

The Corporation presents the first two components of defined benefit costs within the function in which it is incurred.

The employee benefits recognised in the Consolidated Statement of Financial Position represents the actual deficit in the Corporation's defined benefit plan.

Short-Term and Other Long-Term Employee Benefits

A liability is recognised for short-term benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are presented within current liabilities.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Corporation in respect of services provided by employees up to the reporting and measurement date of March 31. The Corporation provides service awards to eligible employees with a long history of commitment, dedication and exceptional service and have been with the organisation for a predetermined period of time. These service awards are a fixed dollar value provided to the employee every five years. The obligation and the cost of these benefits are determined on an actuarial basis using the projected unit credit method prorated on service and management's best estimate assumptions. The discount rate used to determine the accrued benefit obligation is based on market rates for non-current high quality bonds.

2. Basis of Presentation and Significant Accounting Policies *(continued)*

Current service cost, interest cost and past service costs are presented in expense as per the function to which it relates. Actuarial gains and losses are recognised in full in the year in which they occur and are also recorded in expenses as per the function to which they relate. Past service costs associated with post-employment benefits are recognised as an expense at the earlier of when the plan amendment or curtailment occurs, or when the entity recognises related restructuring costs or termination benefits. These benefits are not pre-funded, resulting in a deficit equal to the accrued liability benefit obligation.

Financial Instruments

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the instruments. At the initial recognition, the Corporation measures a financial instrument at its fair value plus transaction costs that are directly attributable to the acquisition of the financial instruments. Subsequently, the Corporation classifies its financial instruments in the following measurement categories:

- Financial assets to be measured subsequently at fair value through other comprehensive income;
- Financial assets to be measured at amortised cost; and
- Financial liabilities to be measured at amortised cost.

The classification depends on the Corporation's business for managing the financial assets and the contractual terms of the cash flows.

(i) Classification of Financial Instruments

The Corporation's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Subsequent Measurement
Investments	Fair value through other comprehensive income Amortised cost	Fair value through other comprehensive income Amortised cost
Trade and other receivables	Amortised cost	Amortised cost
Trade and other payables	Amortised cost	Amortised cost
Holdbacks	Amortised cost	Amortised cost
Loans payable	Amortised cost	Amortised cost
Bonds payable	Amortised cost	Amortised cost

(ii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and expense over the relevant year to net income. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the instrument.

(iii) Financial Assets

Financial assets at fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses and interest income. Interest income from these financial assets is included in net income using the effective interest rate method.

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in net income using the effective interest rate method.

2. Basis of Presentation and Significant Accounting Policies *(continued)*

Impairment of Financial Assets

FBCL assesses on a forward-looking basis the expected credit losses associated with each class of financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, FBCL applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of Financial Assets

The Corporation derecognises a financial asset when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in net income. When a financial asset at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from accumulated other comprehensive income to net income and recognised as a gain or loss.

(iv) <u>Financial Liabilities</u>

All financial liabilities are measured at amortised cost.

The Corporation derecognises financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in net income.

3. Impact of Adoption of new and amended IFRS standards

This note explains the impact of the adoption of IFRS 16, *Leases*, on the consolidated financial statements.

IFRS 16, *Leases* – impact of adoption

IFRS 16, *Leases*, was issued by the IASB on January 13, 2016, and replaces IAS 17, *Leases*, and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*. IFRS 16 specifies how a reporting entity recognises, measures, presents, and discloses leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Corporation applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. Thus, the comparative figures have not been modified and continue to be accounted for under IAS 17.

(i.) Definition of a lease

Previously, the Corporation determined at contract inception whether an arrangement is or contains a lease under IAS 17 and IFRIC 4. Under IFRS 16, the Corporation assesses whether a contract is or contains a lease based on the definition of a lease as outlined in IFRS 16 and as explained in note 2 above.

On transition to IFRS 16, the Corporation elected to apply the practical expedient to grandfather the assessment of which transactions are leases. FBCL applied IFRS 16 only to contracts that were previously identified as leases under IAS 17. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed to determine if they contain a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changes on or after April 1, 2019. Consequently the definition of a lease did not result in an adjustment to April 1, 2019 balances.

(ii.) As a lessee

As a lessee, the Corporation previously classified leases as operating leases based on its assessment that the leases did not transfer significantly all of the risk and rewards incidental to ownership of the underlying asset to the Corporation.

Notes to the Consolidated Financial Statements (in thousands of dollars)

3. Impact of Adoption of new and amended IFRS standards *(continued)*

Consequently, the leases were not recognised on the consolidated statement of financial position. Under IFRS 16, the Corporation recognises right-of-use assets and lease liabilities for its leases in which the Corporation is the lessee.

At transition, being April 1, 2019, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 2.7% as at April 1, 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application being April 1, 2019.

Consequently, the lease previously classified as an operating lease, and therefore not recognised on the consolidated statement of financial position, is now recognised. As at April 1, 2019, the Corporation recognised and derecognised part of the operating lease commitment as follows:

Operating lease commitment disclosed as at March 31, 2019	**$2,370**
Less: Non-lease component	(523)
Less: Discounted using FBCL's incremental borrowing rate of 2.7%	(185)
Lease liability (discounted) - recognised	**$1,662**
Current portion	$180
Non-current portion	$1,482
Right-of-use asset - recognised	**$1,579**
Lease inducement - recognised	**$252**
Retained earnings - increase	**$169**

The non-lease component continues to be disclosed as a commitment.

4. Key Sources of Estimation Uncertainty and Critical Judgments

Key Sources of Estimation Uncertainty

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on industry knowledge, consultation with experts and other factors that are considered to be relevant. Actual results may differ from these estimates.

Use of Estimates and Judgments

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgments included in the consolidated financial statements are decisions made by management, based on an analysis of relevant information available at the time the decision is made. Judgments relate to application of accounting policies, and decisions related to the measurement, recognition and disclosure of financial amounts.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included below and in the statement notes relating to items subject to significant estimate uncertainty. Determinations of critical judgements will be reassessed at each reporting date.

Property and Equipment, Investment Properties and Intangible Assets

Property and equipment, investment properties and intangible assets are depreciated over their useful lives. Useful lives are based on management's estimates of the years of service provided by the assets as outlined in note 2. The appropriateness of useful lives of these assets is assessed annually. Changes to the estimated useful lives would affect future depreciation expenses and the future carrying value of the assets.

4. Key Sources of Estimation Uncertainty and Critical Judgments *(continued)*

In order to establish useful lives for these assets, management uses its judgment to determine the componentisation of property and equipment, investment properties and intangible assets. A component is accounted for separately, if it is significant in comparison to the value of the entire asset and if its useful life differs from the other components.

Long-Lived Assets Valuation

The Corporation performs impairment testing on its long-lived assets, when circumstances indicate that there may be impairment. Management judgment is involved in determining if there are circumstances indicating that testing for impairment is required, and in determining the grouping of assets to identify their CGU for the purpose of impairment testing.

The Corporation assesses impairment by comparing the recoverable amount of a long-lived asset, CGU or CGU group to its carrying value. The recoverable amount is defined as the higher of: i) value in use, or ii) fair value less cost to sell. The determination of the recoverable amount involves management judgment and estimation.

The recoverable amount involves significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. These estimates and assumptions could affect the Corporation's future results, if the current estimates of future performance and fair values change. These determinations will affect the amount of amortisation recognised in future years.

Employee Benefit Plans

The cost of other post-employment benefits and other long-term employee benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and management's best estimate of retirement ages of employees, and mortality rates, as well as expected health care costs for other post-employment benefits only. Discount rates used in actuarial calculations are based on long-term interest rates and can have a material effect on the employee benefit liabilities. Management employs external experts to advise the Corporation when deciding upon the appropriate estimates to use to value employee benefit plan obligations and expenses.

Leases – as a lessee

In determining whether a contract meets the definition of a lease, management makes significant judgements regarding whether an identified asset is present, the Corporation has the right to obtain substantially all of the economic benefits, and the Corporation has the right to direct the use of the asset. In addition, management uses judgment to allocate the value of the lease between lease and non-lease components by allocating the total value of the lease to each component based on their stand-alone costs. Management also uses judgement in determining the minimum lease payments, which takes into consideration whether renewal options will be reasonably exercised or not at the inception of the lease.

Leases – as a lessor

The Corporation is party to many leasing arrangements, which requires Management to determine whether the lease is a finance or operating lease, by assessing if substantially all of the risks and rewards of ownership have passed to the lessee. A lease is classified as a finance lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases. The most significant judgment, in determining whether the lease transfers substantially all of the risks and rewards of ownership, is whether renewal options are reasonably assured to be exercised at the inception of the lease. At the inception of the lease, the Corporation considers both the minimum lease payment as well as the contingent rent in order to determine whether the renewal options are reasonably assured to be exercised. In Management's judgment, all of the Corporation's leases are considered to be operating leases.

Joint Arrangements

Management applies judgment in assessing the Corporation's status when it is party to joint arrangements. In assessing if the Corporation has joint control of an arrangement, the parties involved must determine if the activities that significantly affect the returns of the arrangement are collectively considered. Once joint control is determined, the Corporation applies judgment in determining whether the arrangement is a joint operation or a joint venture. A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for

4. Key Sources of Estimation Uncertainty and Critical Judgments *(continued)*

the liabilities, relating to the arrangement. A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. In Management's judgment, the Corporation has two arrangements that are determined to be joint operations, at the Cornwall (SIBC) and Sault Ste. Marie (SSMBA) crossings. Despite the SIBC operation being a 100% wholly owned subsidiary, due to the international agreement governing its operations, it is considered a joint operation by management. This joint operation in Sault Ste. Marie is considered a foreign operation, however due to the high interdependency between SSMBA and FBCL, the functional currency judged by management is the Canadian dollar. Management accounts for the difference in equity distribution owed to (or due from) the U.S. partners of these agreements as an adjustment to cash and cash equivalents.

Additional information on the Corporation's joint arrangements can be found in note 6.

Thousand Islands International Bridge

There is a third arrangement with an international partner that was judged not to be a joint arrangement by management as the Corporation does not jointly control TIBA. Significantly, this is derived from the fact that four of the seven members of the Board of Directors are appointed by the U.S. partner in the arrangement.

It was determined that although the Corporation can appoint three of the seven members, TIBA is not considered an associate as the Corporation does not have significant influence of TIBA. This arrangement was judged to be this way due to the structure of the agreement with the partner which gives the Corporation the rights to a proportionate share to the bridge related revenues and expenses. However, the agreement does not give the Corporation rights or responsibilities to the assets and liabilities recorded on the financial statements of the operator of the crossing as they relate to the crossing.

Additional information on the Corporation's arrangement with TIBA can be found in note 7.

TIBA provides goods or services to customers directly. The Corporation needed to determine if it was considered the principal or the agent for the purposes of determining the revenue presentation. In determining who is the principal, it had to be determined who controls the goods before they are transferred to the customer. Since the Corporation has an obligation to maintain the bridge, it was deemed that the Corporation controls the goods before being transferred to the customer. Due to these considerations, the Corporation determined that it acts as a principal and therefore a gross presentation is required.

Contingencies and Provisions

a) Decommissioning Liability: The Corporation applies judgment in considering whether an obligation exists to dismantle and remove an asset, and restore the site to its condition before those assets were constructed. In the instances where a demolition is required to make an addition or improvement to an existing set of assets, no decommissioning liability is recognised as these types of demolitions do not trigger a legal or constructive obligation. Under these types of demolitions, the demolition costs will be capitalised to the cost of the new asset being constructed and recognised as site preparation costs. However, in the case where an entire set of assets are being demolished as a result of a government decision (legal obligation), a decommissioning liability to account for the demolition costs is recognised. Under these types of demolition, the demolition costs will be capitalised to the cost of the asset being demolished.

Estimates are used for the provision using the cash flows estimated to settle the present obligation, the time required to settle the obligation, and the determination for discount rates used in the calculations.

b) Contaminated Land: In the assessment of whether a contaminated land liability should be recorded in the form of a provision, management is required to exercise judgement in assessing whether the Corporation has a present legal or constructive obligation as a result of past event, whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and whether a reasonable estimate can be made of the amount of the obligation. If management determines that the above three conditions are met, a provision is recorded for the obligation. Alternatively, a contingent liability is disclosed in the notes to the consolidated financial statements if management determines that any one of the above three conditions is not met, unless the possibility of outflow in the settlement is considered to be remote.

4. Key Sources of Estimation Uncertainty and Critical Judgments *(continued)*

c) In determining a reliable estimate of the obligation, management makes assumptions about the amount, likelihood, and timing of outflows, as well as the appropriate discount rate. Factors affecting these assumptions include the nature of the provision, the existence of a claim amount, opinions or views of legal counsel and other advisers, experience in similar circumstances, and any decision of management as to how the Corporation intends to handle the obligation. The actual amount and timing of outflows may deviate from assumptions, and the difference might materially affect future consolidated financial statements, with a potentially adverse impact on the consolidated results of operations, financial position and liquidity.

5. Future Changes in Accounting Policies

The following accounting standard and amendment is issued but not yet effective. Management is still assessing the potential impacts of this standard and amendment on its consolidated financial statements, and as such its impacts are not yet known at this time. However, management is expecting to implement this standard and amendment at their effective dates.

IAS 1 and IAS 8 – definition of materiality

IAS 1, *Presentation of Financial Statements*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, have been amended to clarify the definition of material and how it should be applied. In addition, the explanations accompanying the definition have been improved. The amendments ensure that the definition is consistent across all IFRS Standards. The effective date for this amendment is for annual periods beginning on or after January 1, 2020, with earlier adoption allowed.

6. Joint Operations

The Corporation has entered into a joint operation with SLSDC for operation of toll bridges across the St. Lawrence River between Cornwall, Ontario, Canada and Rooseveltown, New York, U.S. through a wholly-owned subsidiary of the Corporation, SIBC. Although the Corporation owns 100% of the shares of SIBC there is a governing agreement that grants the Board of Directors of SIBC with the full power to manage the affairs of SIBC. Since the Corporation and SLSDC each appoint 50% of the Directors, the Corporation concluded it has joint control of SIBC with SLSDC. Although the joint arrangement is structured as a separate vehicle, the Corporation considered the purpose and design of the arrangement and concluded that each of the parties have rights to the assets and obligations for the liabilities of the joint arrangement and SIBC has been classified as a joint operation. The consolidated financial statements of the Corporation include its share of the assets, liabilities, revenues and expenses of SIBC. The Corporation's share of SIBC's cash and cash equivalents is adjusted to account for the difference in the equity distribution between the Corporation and the U.S partner, SLSDC, in the amount of $2,952 (2019 - $2,929). The amounts owed to the U.S. partner of SIBC bear interest at a rate which varies between 0.81 % and 1.58% (2019 – 1.00% and 1.42%) and is payable on demand.

The Corporation has entered into an arrangement with MDOT for the operation of the Sault Ste. Marie International Bridge through a separate legal entity, SSMBA, and for operational delivery by IBA, an entity of MDOT. The Corporation has the right to appoint 50% of the directors of the Board of SSMBA which directs the relevant activities of the Bridge and its operations, and the Corporation has concluded it has joint control with IBA. Although the joint arrangement is structured as a separate vehicle, the Corporation considered the purpose and design of the arrangement and concluded that each of the parties have rights to the assets and obligations for the liabilities of the joint arrangement and SSMBA has been classified as a joint operation. The consolidated financial statements of the Corporation include its share of the assets, liabilities, revenues and expenses of the SSMBA. The Corporation's share of SSMBA cash and cash equivalents is adjusted to account for the difference in equity distribution between the Corporation and the U.S partner, MDOT. The undistributed equity bears no interest, and is payable on demand with funds restricted per the international agreement to be used only as they relate to the international crossing in Sault Ste. Marie.

Notes to the Consolidated Financial Statements (in thousands of dollars)

7. Thousand Islands Bridge Authority

The Thousand Islands International Bridge is managed by TIBA in accordance with a bi-national agreement with the Corporation. Due to the nature of the structure of this agreement, the Corporation is entitled to 50% of the gross revenues that are generated at the crossing, and is also responsible for 50% of the operating expenses for the crossing. The net of revenues less expenses are transferred to or from TIBA for the six-month period ending February 28 and August 31.

As at March 31, 2020, $3,449 of revenues (2019 – $3,129) are yet to be collected by the Corporation from TIBA and $3,075 (2019 – $3,296) is owed by the Corporation to TIBA to cover operating costs. The net of the revenues less expenses (and property and equipment acquisitions of $0 (2019 - $24)) for the six months ending February 28 of $362 is included in trade and other receivables (2019 - $310 is included in trade and other payables) and an amount for the month of March of $12 (2019 - $120) is included in trade and other receivables.

8. Cash and cash equivalents

As at March 31	2020	2019
	$	$
Cash	**4,694**	2,797
Cash equivalents	**2,688**	6,257
Total cash and cash equivalents	**7,382**	9,054

9. Investments

As at March 31	2020	2019
	$	$
Investments carried at amortised cost		
Deposit certificates	3,505	6,964
Total investments carried at amortised cost	3,505	6,964
Investments carried at fair value through other comprehensive income		
Government of Canada bonds	**420**	2,015
Provincial bonds	**6,470**	6,155
Corporate bonds	**9,452**	7,854
Total investments carried at fair value through other comprehensive income	**16,342**	16,024
Total investments	**19,847**	22,988
Less: Current portion	**17,847**	19,988
Non-current portion	**2,000**	3,000

The average term to maturity for the Corporation's deposit certificates is 463 days (2019 – 437 days), and earns interest at an average annual rate of 2.13% (2019 – 2.05%). The average term to maturity for the Corporation's bonds is 5.4 years (2019 – 5.6 years), and they earn an average effective interest rate of 2.54% (2019 – 2.42%).

10. Trade and other receivables

As at March 31	2020	2019
	$	$
Federal departments and agencies	**19**	397
Trade receivables	**917**	861
Total trade and other receivables	**936**	1,258

Notes to the Consolidated Financial Statements (in thousands of dollars)

11. Property and Equipment

Cost	Land	Bridges and roads	Vehicles and equipment	Buildings	Right-of-use Assets	Property Improvements	Projects in progress	Total
	$	$	$	$	$	$	$	$
Balance, April 1, 2018	14,648	260,802	30,096	144,590	-	27,418	5,160	482,714
Additions	143	62	655	82	-	6	12,517	13,465
Adjustment	-	-	(346)	-	-	-	-	(346)
Disposals	-	-	(301)	(2,291)	-	(606)	(8)	(3,206)
Transfers	-	5,970	685	1,251	-	544	(8,450)	-
Balance, March 31, 2019	14,791	266,834	30,789	143,632	-	27,362	9,219	492,627
Adjustment for change in accounting policy (Note 3)	-	-	-	-	1,579	-	-	1,579
Additions	19	97	594	38	43	19	3,560	4,370
Disposals	-	-	(169)	-	-	(746)	-	(915)
Transfers	-	2,740	2,284	428	-	4,588	(10,040)	-
Balance, March 31, 2020	**14,810**	**269,671**	**33,498**	**144,098**	**1,622**	**31,223**	**2,739**	**497,661**

Accumulated depreciation	Land	Bridges and roads	Vehicles and equipment	Buildings	Right-of-use Assets	Property Improvements	Projects in progress	Total
	$	$	$	$	$	$	$	$
Balance, April 1, 2018	-	52,755	13,540	21,885	-	14,988	-	103,168
Elimination on disposal of assets	-	-	(292)	(2,291)	-	(606)	-	(3,189)
Depreciation	-	9,995	1,629	4,213	-	880	-	16,717
Balance, March 31, 2019	-	62,750	14,877	23,807	-	15,262	-	116,696
Eliminated on disposal of assets	-	-	(169)	-	-	(746)	-	(915)
Depreciation	-	9,829	1,909	4,059	210	1,165	-	17,172
Balance, March 31, 2020	**-**	**72,579**	**16,617**	**27,866**	**210**	**15,681**	**-**	**132,953**
Net book value, March 31, 2020	**14,810**	**197,092**	**16,881**	**116,232**	**1,412**	**15,542**	**2,739**	**364,708**
Net book value, March 31, 2019	14,791	204,084	15,912	119,825	-	12,100	9,219	375,931

At year-end, FBCL reviews the estimated useful lives of its capital assets and updates the useful lives as at April 1 of the following fiscal year. As at March 31, 2019, FBCL did not revise any useful lives and consequently no useful lives were updated on April 1, 2019. However, as at March 31, 2018, FBCL revised the estimated useful lives of the paving and painting components of the Blue Water Bridge spans as well as the useful life of one building's roof in Point Edward. These changes in useful lives are considered changes in accounting estimates and have been applied on a prospective basis starting on April 1, 2018. These changes in useful lives result in an increase in annual depreciation expense as high as $1,871 ($1,750 to Bridges and Roads and $121 to Buildings) and a decrease in annual depreciation expense as low as $994 (Bridges and Roads) and impact the fiscal years ending March 31, 2019 to March 31, 2073 with the current year having the highest increase in depreciation expense.

Notes to the Consolidated Financial Statements (in thousands of dollars)

12. Investment Properties

	Investment Properties
	$
Cost	
Balance, April 1, 2018	25,366
Additions	-
Disposals	(8)
Transfers	-
Balance, March 31, 2019	25,358
Additions	72
Disposals	-
Transfers	-
Balance, March 31, 2020	**25,430**
Accumulated depreciation	
Balance, April 1, 2018	5,283
Transfers	-
Disposals	(8)
Depreciation expense	684
Balance, March 31, 2019	5,959
Transfers	-
Disposals	-
Depreciation expense	694
Balance, March 31, 2020	**6,653**
Net book value, March 31, 2020	**18,777**
Net book value, March 31, 2019	19,399

Investment properties comprise commercial properties that are leased to third parties.

Rental income for the year ended March 31, 2020 amounts to $4,554 (2019 – $4,771) included within 'leases and permits'. Contingent rent of $2,875 (2019 - $2,962) is included in rental income. There were no significant investment properties that were vacant at March 31, 2020 (2019 – no significant investment properties that were vacant).

Fair value of the investment properties have been determined based on a valuation performed by an independent valuator who is a current member of the Appraisal Institute of Canada with the exception of the fair value of land in which was evaluated internally. The fair value is $24,451 (2019 – $24,766) and was determined as at March 31, 2017 or March 31, 2018, and extrapolated to March 31, 2020, using the Consumer Price Index and has been adjusted for obsolescence. The fair value of the properties have not been determined on transactions observable in the market because of the nature of the properties and the lack of comparable data. The fair value was determined by estimating the replacement cost of the building while deducting the obsolescence and considering inputs such as the type of building, age, condition and region that the building is in as well as the mechanical systems attached.

Notes to the Consolidated Financial Statements (in thousands of dollars)

13. Intangible Assets

	Intangible Assets
	$
Cost	
Balance, April 1, 2018	329
Additions	67
Disposals	-
Transfers	-
Balance, March 31, 2019	396
Additions	13
Disposals	(73)
Transfers	-
Balance, March 31, 2020	**336**
Accumulated depreciation	
Balance, April 1, 2018	311
Depreciation expense	8
Transfers	-
Balance, March 31, 2019	319
Depreciation expense	21
Disposals	(73)
Balance, March 31, 2020	**267**
Net book value, March 31, 2020	**69**
Net book value, March 31, 2019	77

The Corporation's intangible assets consist of primarily of software and does not hold any internally generated intangible assets.

14. Provisions

As at March 31	2020	2019
	$	$
Balance, start of year	**6,047**	6,292
Interest accretion	**74**	167
Reduction in provisions recognised	**(228)**	(377)
Reductions arising from payments	**(5,893)**	(35)
Balance, end of year	-	6,047
Less: Current portion	-	6,047
Non-current portion	-	-

The provision relates to the final phase of the demolition of the in-water piers of the former high-level bridge in Cornwall which was completed in the current fiscal year and the final cost was $228 below the original signed contracts. During fiscal 2019, contracts with external parties to complete the demolition were signed and the undiscounted cash flow was $6,159. The cash flows were discounted when preparing the 2019 financial statements using a rate that reflected current market assessments of the time value of money and the risks specific to the liability of 2.75 %. Since the demolition has been completed in fiscal 2020, there is no remaining balance for the provision and therefore no cash flows to be discounted.

Notes to the Consolidated Financial Statements (in thousands of dollars)

15. Holdbacks

The Corporation temporarily retains an amount on the total due to contractors to ensure that the latter fulfills its obligations pertaining to warranty, rectification and correction of defects in work. The contracts call for the Corporation to pay holdbacks upon substantial completion of the individual contracts. Holdbacks relate primarily to various projects at the Point Edward location (2019 – significant holdbacks relate to the Point Edward Automated Toll Program Installation and the Point Edward Plaza redesign).

16. Deferred Revenue

As at March 31	2020	2019
	$	$
Contracts with customers		
Debit cards	**65**	63
Passenger vehicles token/tickets	**421**	453
Prepaid commercial/commuter vehicles	**1,800**	1,765
Total contracts with customers	**2,286**	2,281
Leases		
Current prepaid facility rentals	**190**	209
Non-current prepaid facility rentals	**1,366**	1,517
Total leases	**1,556**	1,726
Total deferred revenue	**3,842**	4,007
Less: Current portion	**2,476**	2,490
Non-current portion	**1,366**	1,517

Contracts with customers include debit cards, passenger vehicle tokens/tickets and prepaid commercial/passenger vehicles. The majority of the deferred revenues from Contracts with customers are recognised as revenues in the following fiscal year. The following are the tolls received during the year that have not been recognised in revenue and tolls received in the previous years that are recognised in revenues in the current fiscal year.

As at March 31	2020	2019
	$	$
Balance, start of year	**2,281**	2,374
Tolls received during year that have not been recognised in revenue	**1,442**	1,401
Tolls received in previous years that are recognised in revenue	**(1,437)**	(1,494)
Balance, end of year	**2,286**	2,281

Notes to the Consolidated Financial Statements (in thousands of dollars)

17. Loans Payable

As at March 31	**2020 Carrying cost**	2019 Carrying cost
	$	$
$15,000 term facility payable monthly		
$3,000 @ 2.85% locked until July 27, 2019	-	2,294
$4,000 @ 4.42% locked until July 27, 2021	**3,075**	3,200
Total loans payable	**3,075**	5,494
Less: Current portion	**132**	2,419
Non-current portion	**2,943**	3,075

Principal and interest payments for the term facility and credit facility for the remaining years are as follows:

As at March 31	Principal	Interest	2020 Total
	$	$	$
2021	132	133	265
2022	2,943	43	2,986
Total	**3,075**	**176**	**3,251**

The Corporation maintains one (2019 – one) credit facility with a Canadian chartered bank in the total amount of $15,000 (2019 - $15,000). The facility has been approved by the Minister of Finance as part of the Corporation's borrowing plan. The credit facility is a reducing term facility, which originally was drawn for $15,000 on a fixed rate, non-current basis with periodic payments of interest and principal not to exceed a maturity of 25 years. This facility carries the same security as the full bond issuance (note 18). At March 31, 2020, $3,075 remained drawn on this facility in one tranche (2019 - $ 5,494). In January 2016, the Corporation has put in place a debt repayment plan that specifies its intent to pay down these tranches as they come due. These repayments have been identified as principal payments in the table above.

18. Bonds Payable

As at March 31	**2020 Carrying cost**	2019 Carrying cost
	$	$
Series 2002-1 bonds maturing		
July 9, 2027 payable semi-annually on January 9 and July 9	**51,860**	57,052
Total bonds payable	**51,860**	57,052
Less: Current portion	**5,540**	5,191
Non-current portion	**46,320**	51,861

Notes to the Consolidated Financial Statements (in thousands of dollars)

18. Bonds payable (continued)

Principal and interest payments for the bonds for the next five years and thereafter are as follows:

As at March 31	Principal	Interest	2020 Total
	$	$	$
2021	5,540	3,346	8,886
2022	5,914	2,972	8,886
2023	6,312	2,574	8,886
2024	6,737	2,149	8,886
2025	7,191	1,695	8,886
Thereafter	20,166	2,049	22,215
Total	**51,860**	**14,785**	**66,645**

The Corporation has issued at a face value of $110,000, 6.41% Revenue Bonds payable semi-annually, Series 2002-1, due July 9, 2027.

The Bonds constitute direct, unsecured, and unconditional obligations of the Corporation, and of Her Majesty in right of Canada who is its principal. Payment of principal of and interest on the Bonds by Her Majesty in right of Canada in an event of default are subject to government funding.

Below is the requirement for any Bonds outstanding or any obligations under the indenture:

i) The principal and interest will be duly paid on the due dates.

ii) Insurance will be maintained in such types and amounts in accordance with sound business practices and standards in the industry.

iii) Except for borrowings arising as a result of movements in the termination values of swap agreements and any purchase money obligations not exceeding $2,000 in the aggregate at any time and the Corporation shall not create, incur, assume or otherwise become liable for any additional indebtedness unless it is pursuant to a supplemental Indenture. . As at March 31, 2020 the Corporation has no active swap agreement (2019-nil).

iv) The aggregate of all borrowings, subordinated debt and purchase money obligations does not exceed any limitations on the amount of borrowings outstanding imposed upon the Corporation.

Transaction costs including bond restructuring costs of $1,660 have been added to the $110,000 principal bond amount, resulting from the bond restructuring due to the amalgamation of legacy BWBA and the legacy FBCL.

19. Lease Liability

The Corporation leases its head office at 55 Metcalfe, in Ottawa, ON. The rental contract is for a fixed term ending December 31, 2026 with no renewal options and no variable lease payments. The contract contains both a lease and non-lease component based on their relative stand-alone prices. However, only the lease component is included in the lease liability. Until April 1, 2019, the lease was classified as an operating lease, see note 27 for details. From April 1, 2019, the lease is recognised as a right-of use asset and a lease liability. During the year, the Corporation incurred $284 in leases which is comprised of $43 of interest expense, and $84 of operating costs (included in maintenance) and $157 as a reduction in the lease liability. In 2019, $279 of rent expense, which includes the lease and non-lease components, was recorded in administration expense.

Notes to the Consolidated Financial Statements (in thousands of dollars)

19. Lease Liability (continued)

Principal and interest payments for the lease liability for the next five years and thereafter are as follows:

As at March 31	Principal	Interest	2019 Total
	$	$	$
2021	182	35	217
2022	207	33	240
2023	220	27	247
2024	226	21	247
2025	232	15	247
Thereafter	438	11	449
Total	**1,505**	**142**	**1,647**

The current portion of the lease is $182 and the non-current portion is $1,323.

20. Deferred Capital Funding

For certain major capital projects the Corporation has received funding from the Government of Canada. This funding is recorded on the Consolidated Statement of Financial Position as deferred capital funding for the amount of depreciable property. The recognition of this deferred capital funding in net income is limited each year to the same rates of depreciation as disclosed in note 2.

As at March 31	2020	2019
	$	$
Balance, start of year	**107,770**	107,035
Government funding for capital expenditures received	-	4,130
Amortisation of deferred capital funding	**(3,535)**	(3,395)
Balance, end of year	**104,235**	107,770
Less: Current portion	**3,504**	3,535
Non-current portion	**100,731**	104,235

21. Employee Benefits

Pension Benefits

The Corporation has contracted an outside firm to operate and administer an employee pension plan. Employees of the Corporation must join the pension plan, subject to eligibility requirements. The pension plan, which is a defined-contribution pension plan, is funded on a money-purchase basis with members contributing up to 11.5% of their annual earnings. In accordance with the plan, the Corporation is required to fund matching contributions up to 9.0 % (2019 - up to 9.0%). During the year, the Corporation's pension contributions amounted to $381 (2019 – $361).

Additionally, employees of SIBC are enrolled in the Public Service Pension Plan (the Plan). Under the Plan, the President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year-end was a multiple of 1.00 for all employees (2019 - 1.00). The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. The Corporation's portion of pension contributions amounted $50 (2019 – $51) during the year.

Notes to the Consolidated Financial Statements (in thousands of dollars)

21. Employee Benefits *(continued)*

The employees of SSMBA participate in the State of Michigan's defined benefit and defined contribution plans. SSMBA is required to make contributions to the defined benefit plan based on an actuarially determined rate. For the defined contribution plan, SSMBA is required to contribute 4.0% of payroll plus up to an additional match of 3.0%. The contribution requirements of the plan members and SSMBA are established and may be amended by state legislation. During the year, the Corporation's portion of pension contributions amounted to $294 (2019–$307).

Contributions, for the fiscal year ending March 31, 2020, to the Public Service Pension Plan and the State of Michigan's defined benefit and defined contribution plans are anticipated to be consistent with the contributions made during the year.

Other Benefits

Other than the pension plan, the Corporation provides post-employment benefits to its eligible employees through health, dental, life insurance and an employee assistance program as well as other long-term benefits, which consist of service awards. Benefit costs related to current service are charged to income as services are rendered. The risks associated with these benefits include changes in discount rates, mortality rates, per capita claim costs and general inflation that can cause volatility in the Corporation's financial results. The actuarial valuation was performed as at March 31, 2020.

The following table sets forth the status of the post-employment non-pension related benefit plan:

Defined benefit obligation	Post-employment	Other long-term
	$	$
Balance, April 1, 2018	6,375	75
Current service cost	396	6
Interest cost	242	3
Actuarial (gain) loss - other	(3)	(4)
Actuarial (gain) loss - demographic assumptions	-	-
Actuarial (gain) loss- financial assumptions	281	1
Benefits paid	(114)	(11)
Balance, March 31, 2019	7,177	70
Current service cost	432	6
Interest cost	256	2
Actuarial (gain) loss - other	29	(4)
Actuarial (gain) loss - demographic assumptions	-	-
Actuarial (gain) loss- financial assumptions	(580)	(2)
Benefits paid	(163)	(3)
Balance, March 31, 2020	**7,151**	**69**

Total post-employment non-pension related benefit plan is $7,220 (2019 - $7,247).

Changes in other comprehensive income during the year:

As at March 31	2020	2019
	$	$
Actuarial gains (losses) arising during the year	**551**	(278)

Notes to the Consolidated Financial Statements (in thousands of dollars)

21. Employee Benefits *(continued)*

Post-employment expense recognised in net income during the year is as follows:

As at March 31	**Post-employment**	**2020** **Other long-term**
	$	**$**
Current service costs	**432**	**6**
Interest cost	**256**	**2**
Actuarial gain	**(511)**	**(5)**
Net post-employment expense recognised in year	**177**	**3**

As at March 31	Post-employment	**2019** Other long-term
	$	$
Current service costs	395	6
Interest cost	242	3
Actuarial gain	-	(3)
Net post-employment expense recognised in year	637	6

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligations and net benefit plan expense are as follows:

As at March 31	**2020**	2019
Discount Rate, accrued benefit obligation	3.80%	3.40%
Discount Rate, benefit cost	3.40%	3.60%
Estimated per capita claims costs escalation rates:		
General inflation	2.50%	2.50%
Dental and vision care	4.50%	4.50%
Employee assistance program	2.50%	2.50%
Mortality rates	CPM Public table generational improvements using MI - 2017 (2019 - mortality improvement 2017 scale MI - 2017)	

The assumed health care inflation rate as of March 31, 2020 is 6.6% (2019 – 6.6%) per annum decreasing linearly to 4.5% (2019 – 4.5%) per annum in the 2027-28 (2019 - 2027-28) fiscal year.

The average expected maturity of the plan obligation is 19 years (2019 – 19 years).

Notes to the Consolidated Financial Statements (in thousands of dollars)

21. Employee Benefits *(continued)*

Sensitivity Analysis

The Corporation has reviewed the assumptions used in the actuarial calculations and has identified the following assumptions as those that could result in a significant impact on the defined benefit obligation:

As at March 31	2020	2019
	$	$
Discount rate - increase of 1 %	**(1,056)**	(1,178)
Discount rate - decrease of 1 %	**1,397**	1,571
Future mortality - increase of 1 year age	**(245)**	(276)
Future mortality - decrease of 1 year age	**249**	282
Trend rates - increase of 1 %	**1,206**	1,351
Trend rates - decrease of 1 %	**(941)**	(1,048)

The sensitivity analysis above may not be representative of the actual change in the defined benefit obligation as it is unlikely that a change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

22. Issued Capital

The Corporation's articles of incorporation authorise an unlimited number of shares without par value. The Corporation has two issued and fully paid shares.

23. Supplementary Expense Information

The following table shows the breakdown of expenses by nature for each function on the Consolidated Statement of Comprehensive Income.

Year ended March 31	2020	2019
	$	$
Depreciation of property and equipment	**17,172**	16,717
Salaries and employee benefits	**15,872**	16,055
Goods and services	**5,484**	5,569
Repairs and maintenance	**4,126**	3,231
Professional services	1,593	1,467
Depreciation of investment property	**694**	684
Depreciation of intangible assets	**21**	8
Decommissioning	**(228)**	(374)
Total Expenses	**44,734**	43,357

Notes to the Consolidated Financial Statements (in thousands of dollars)

24. Related Party Transactions

Balances and transactions between the Corporation and its share of its joint operations have been eliminated on consolidation and are not disclosed in this note. Related party transactions relating to employee benefits are disclosed in note 21, and government bonds and deposits certificates investments are disclosed in note 9.

Details of transactions between the Corporation and other related parties are disclosed below.

Transactions with Government Related Entities

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

The nature of expenses incurred with government related entities consists of reimbursement of prior year project and construction fees, legal fees and administrative costs. The nature of revenue from government related entities is largely in the form of government funding related to construction projects for CBSA facilities.

During the year, the parent Corporation recorded no new government funding (2019 – $4,130). At March 31, 2020, the parent Corporation recorded nil (2019 – $397) in accounts receivable with related parties.

The parent Corporation also receives services, such as financial statement audits, at no charge, which have not been reflected in these consolidated financial statements.

Compensation of Key Management Personnel

Key management personnel are defined as the Board of Directors and members of the senior executive teams who have the authorities and responsibilities for planning, controlling and directing the activities of the Corporation.

Compensation of key management personnel was as follows:

Year ended March 31	2020	2019
	$	$
Short-term employee benefits	**968**	1,121
Retirement and other post-employment benefits	**94**	119
Total	**1,062**	1,240

25. Facility Rentals

The Corporation has entered into contracts with companies who rent space in its buildings at various crossings. Contingent rent, based on sales at the Duty Free Shops, are the largest components of the rent received by the Corporation from these lessees. One of these Duty Free stores has a fixed component of its rent. Contingent revenue recognised during the current year for these leases was $2,875 (2019 – $2,962). The lessee of the Duty Free Shop at the Point Edward crossing has also paid for the expansion of the building. This payment was recorded as deferred revenue and is recognised as revenue on a straight-line basis, amortised over the non-cancellable lease term.

The future minimum rental receivable under non-cancellable operating leases are as follows:

As at March 31	2020	2019
	$	$
Within one year	**1,138**	1,140
After one year but not more than five	**2,000**	2,522
More than five years	-	36
Total	**3,138**	3,698

Notes to the Consolidated Financial Statements (in thousands of dollars)

26. Contingent Liabilities

In the normal course of its activities, the Corporation is the claimant or defendant or is involved in certain pending claims or lawsuits. To the extent that a future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense is recorded in the consolidated financial statements. At March 31, 2020, there was one claim made by an employee against the Corporation. It is the opinion of management that the settlement of such matters will not result in any material liabilities to the Corporation. The timing of cash outflows related to the claims is uncertain, as it often depends on the outcome of specific events including, but not limited to, the length of legal proceedings.

The Corporation is named as a defendant jointly and severally with its subsidiary corporation, SIBC, and Her Majesty in regards to its mandate for the collection of tolls at the Seaway International Crossing. The amount of the claim is $50,000, subject to accounting for bridge tolls and revenues. Transport Canada has assumed responsibility to defend against the claim. The Corporation and its subsidiary corporation, SIBC, are agent Crown Corporations in their own rights and, with respect to this claim, they are being sued for taking actions that they are mandated to take as agents of Her Majesty. The outcome, timing and amount of any settlement of this claim cannot be determined at this time due to uncertainties primarily related to the resolution of a separate land claim by the same party against Her Majesty that must first be considered. Also, the long-term legal proceedings on this matter, which have spanned decades, and the basis of inclusion of elements of bridge tolls and revenues must also be deliberated.

27. Commitments for Expenditure

a) The Corporation has commitments totaling $11,570 (2019 – $6,045) including:

   i. Administrative contracts of $453 (2019 – $331) for internal audit, internet services and other contracts;

   ii. Capital project contracts of $9,475 (2019 – $2,295) for the purchase of property and equipment;

   iii. Maintenance contracts of $971 (2019 – $1,049) have been awarded; and

   iv. Rental agreement of $671 (2019 - $2,370) for the Ottawa office lease. In 2020, the rental agreement includes the operating costs portion of the lease as the lease components are now included in the lease liability whereas the 2019 rental agreement includes all lease components.

b) In the normal course of business, the Corporation enters into contractual agreements for goods and services over periods beyond one year. Disbursements largely depend on future volume-related requirements and are subject to the Corporation's contractual rights of termination.

Total commitments for administrative, maintenance and capital projects contracts, in years, are as follows:

As at March 31	2020	2019
	$	$
Within one year	**10,039**	3,019
After one year but not more than five	**838**	656
More than five years	**22**	-
Total	**10,899**	3,675

Total commitments for office space, in years, are as follows:

As at March 31	2020	2019
	$	$
Within one year	**97**	298
After one year but not more than five	**388**	1,210
More than five years	**186**	862
Total	**671**	2,370

The office space lease does not contain a renewal option.

Notes to the Consolidated Financial Statements (in thousands of dollars)

28. Financial Instruments

Fair Value

The fair values of trade and other receivables, trade and other payables, holdbacks, and the current portion of the loans payable and bonds payable approximate their carrying value due to the short-term nature of these instruments.

The carrying values and fair values of the Corporation's remaining financial assets and liabilities are listed in the following table:

As at March 31			**2020**
	Value	**Cost**	**Level**
	$	$	
Financial instruments measured at fair value on a recurring basis			
Investments - fair value through other comprehensive income	**16,342**	**16,342**	Level 2
Financial instruments measured at amortised cost			
Investments - amortised cost	**3,505**	**3,505**	Level 1
Loans payable	**3,111**	**3,075**	Level 2
Bonds payable	**61,619**	**51,860**	Level 2

As at March 31			2019
	Value	Cost	Level
	$	$	
Financial instruments measured at fair value on a recurring basis			
Investments - fair value through other comprehensive income	**16,024**	**16,024**	Level 2
Financial instruments measured at amortised cost			
Investments - amortised cost	**6,964**	**6,964**	Level 1
Loans payable	**5,401**	**5,494**	Level 2
Bonds payable	**66,495**	**57,052**	Level 2

The credit rating of the investments measured at fair value through other comprehensive income remains in compliance with the Corporation's investment policy, which requires all investments be no lower than a grade A, based on external credit ratings.

The fair value of investments measured at fair value through other comprehensive income are priced daily by the FTSE TSX Debt Market Indices service.

The fair values of investments measured at amortised cost are quoted from active trading markets for identical assets.

A discounted cash flow method, using a factored rate equal to the prevailing market rate of interest for loans and debt bonds having similar terms and conditions, was used to determine the fair value of the loans payable and bonds payable.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation is subject to credit risk on cash, cash equivalents, investments measured at fair value through other comprehensive income, and trade and other receivables.

The Corporation manages this risk by dealing only with members of the Payments Canada or the Government of Canada and by closely monitoring the issuance and collection of credit to commercial clients. The carrying amount reported on the Corporation's Consolidated 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. At March 31, 2020 (2019 – nil) there were no provisions recorded. The credit risk is not significant for the Corporation.

Notes to the Consolidated Financial Statements (in thousands of dollars)

28. Financial Instruments *(continued)*

The credit risk associated with cash, cash equivalents, and investments measured at fair value through other comprehensive income is reduced substantially by ensuring that cash surpluses are invested in highly liquid investments. The Corporation's policy is to invest cash surpluses in low-risk instruments at an investment grade "A" or equivalent. Management believes the risk of loss is not significant. The credit risk associated with accounts receivable is minimised since a large portion of the amount is owed from federal government departments generally within 90 days, interest on investments with a grade of "A" or equivalent, receivables from long-term international partners and a long-term commercial lease tenant which also have a past history of paying their accounts on time.

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; maintaining cash reserves and credit facilities, establishing cash forecasts and monitoring cash flows as well as matching terms of investments to the timing of planned disbursements. The Corporation invests surplus cash in high credit quality government and corporate securities in accordance with the policies approved by the Board of Directors and in line with guidance from the Minister of Finance.

The following table presents a maturity analysis of the Corporation's financial liabilities based on the expected cash flows from the date of the Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

As at March 31				**2020**
	Carrying amount	**Less than 3 months**	**3 months to 1 year**	**Over 1 year**
	$	$	$	$
Trade and other payables	4,041	3,257	784	-
Holdbacks	88	29	59	-
Long-term debt payable	69,896	66	9,085	60,745
Lease liability	1,647	43	174	1,430
Total	**75,672**	**3,395**	**10,102**	**62,175**

As at March 31				2019
	Carrying amount	Less than 3 months	3 months to 1 year	Over 1 year
	$	$	$	$
Trade and other payables	3,706	2,469	1,237	-
Holdbacks	811	39	426	346
Long-term debt payable	81,362	108	11,358	69,896
Total	85,879	2,616	13,021	70,242

Market Risk

Market risk is the risk of an impact on results from changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Corporation is exposed to all of these risks.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation is subject to interest rate risk on its cash and cash equivalents. A 1% variation in interest rates at March 31, 2020, would not be material.

28. Financial Instruments *(continued)*

Certain fair value through other comprehensive income investments bear interest at a fixed rate. Fair value through other comprehensive income investments also include bonds of the Government of Canada, provincial governments, and corporate banks with fixed rates of interest and an average term to maturity of 5.4 years (2019 – 5.6 years). The fair market value of these instruments is indirectly affected by fluctuations of the market interest rate. The impact of a hypothetical 1% variation in interest rates at March 31, 2020 would not be material.

Credit facility, loans payable and bonds payable also bear interest at fixed rates. However, a change in the fair value would not impact the net income of the Corporation as the Corporation holds the liabilities until maturity.

A material variation in exchange rates during the year would significantly affect toll revenue as there is a direct correlation between the volume of traffic and the exchange rates. Assuming that volumes would not be impacted by the exchange rate, a hypothetical 1% weakening of the Canadian dollar during the course of the fiscal year would have had a $105 (2019 - $127) increase in recorded toll revenue. FBCL's U.S. cash is held in different banks, due to FBCL's U.S. bridge operating partners utilising locally available banks. At March 31, 2020, the Corporation's U.S. dollar bank balance was $612 (2019 - $1,010). A hypothetical 1% variance in the exchange rate at March 31, 2020 would not be material. The Corporation manages this risk by periodically adjusting the toll rates for parity with the foreign exchange rate, and by converting currencies where applicable. In 2019 the Corporation invested a significant portion of its U.S. cash surplus of $3,208 in U.S. term deposits included in cash equivalent, the Corporation did not have U.S. term deposits in the current year.

Capital Management

The Corporation defines its capital as its retained earnings, share capital and accumulated other comprehensive income.

As per legislative authorities, the maximum amount that the Corporation can borrow is $130,000 with Minister of Finance approval (2019 – $130,000).

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern, to fund its asset base and to fulfil its mission and objectives.

29. Covid-19 and subsequent events

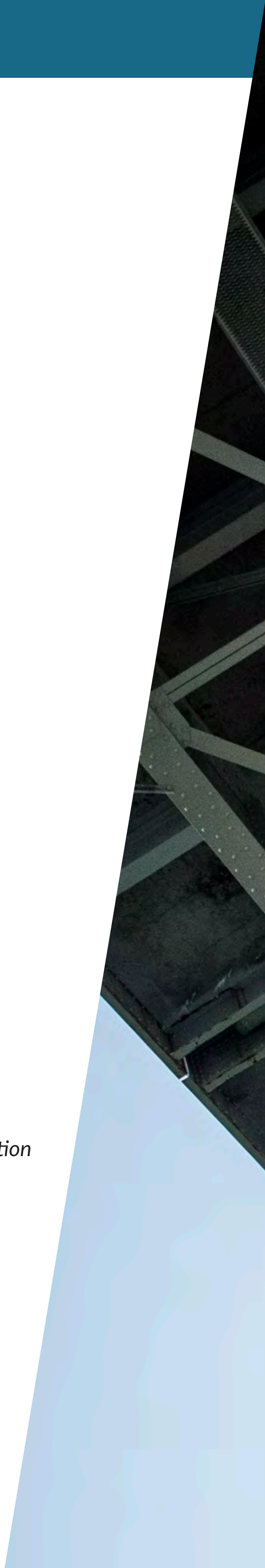
As a result of Covid-19, the Canadian government enforced strict rules eliminating substantially all personal cross-border travelling. While, the ban on personal travel commenced in the latter half of March 2020, there was little impact to the traffic volumes for the 2019-20 fiscal year as only half a month was affected. Additionally, there were significant decreases in truck volumes as well. FBCL has considered the impact of this event on the valuation of its assets as at March 31, 2020 and has determined that assets are appropriately valued and that no impairments are required.

As the restrictions continue in fiscal 2020-21, FBCL has experienced – and will likely continue to experience – a significant decrease in toll revenues. The duration and extent of the COVID-19 pandemic measures and related travel restrictions remain unclear at this time. It is not possible to reliably estimate the full effect on the Corporation at this time. Consequently, FBCL is reviewing its corporate plan and determining which costs can be postponed to future years and which costs can be significantly reduced in the interim. In addition, FBCL is seeking government funding to compensate for the toll revenue decrease.

30. Consolidated Statement of Cash Flow comparative figures

To provide more relevant information about the Corporation's cash flows, the 2019 comparative figures relating to the foreign exchange gain and the foreign exchange gain on cash and cash equivalents held in foreign currency, as presented in the Consolidated Statement of Cash Flow, were updated from a gain of $942 to gain of $35, a change of $907. This change in presentation reflects a more accurate and useful representation of the unrealised gain (loss) by specifically excluding realised FX gains/losses. This change had no net impact on the overall Consolidated Statement of Cash Flows and did not impact any other statements or note disclosures.

8.0 DIRECTORS AND OFFICERS



THE FEDERAL BRIDGE CORPORATION LIMITED

BOARD OF DIRECTORS

(as of March 31, 2020)

Pascale Daigneault	*Chairperson*
Andrew Travis Seymour	*Vice-Chairperson*
Karen June Hill	*Director*
John Lopinski	*Director*
Natalie Kinloch	*Director*
Marie-Jacqueline Saint-Fleur	*Director*
Rakesh Shreewastav	*Director*

COMMITTEES OF THE BOARD OF DIRECTORS

FINANCE AND AUDIT COMMITTEE

Marie-Jacqueline Saint-Fleur	*Chair*
Andrew Travis Seymour	*Member*
John Lopinski	*Member*

GOVERNANCE, POLICY AND HUMAN RESOURCES COMMITTEE

Rakesh Shreewastav	*Chair*
Andrew Travis Seymour	*Member*
Karen June Hill	*Member*

OFFICERS AND SENIOR MANAGERS

Natalie Kinloch, CPA, CA	*Chief Executive Officer*
Warren Askew	*Chief Operating Officer*
Richard Iglinski, CPA, CMA	*Chief Financial Officer*
Thye Lee, MEng, PEng	*Vice-President, Engineering and Construction*
Anthony Pickett	*Chief Corporate Services Officer*

8.0 DIRECTORS AND OFFICERS *(continued)*

THE SEAWAY INTERNATIONAL BRIDGE CORPORATION, LTD.

BOARD OF DIRECTORS

(as of March 31, 2020)

Natalie Kinloch	*President*
Carrie Mann-Lavigne	*Vice-President*
Warren Askew	*Director*
Richard Iglinski	*Director*
Thomas Lavigne	*Director*
Kevin O'Malley	*Director*
Nancy Scott	*Director*
Thye Lee	*Director*

COMMITTEES OF THE BOARD OF DIRECTORS

MANAGEMENT COMMITTEE

Natalie Kinloch	*Chair*
Carrie Mann-Lavigne	*Member*

AUDIT COMMITTEE

Nancy Scott	*Chair*
Richard Iglinski	*Member*
Kevin O'Malley	*Member*

OFFICERS AND SENIOR MANAGERS

Natalie Kinloch	*President*
Carrie Mann-Lavigne	*Vice-President*
Richard Iglinski	*Treasurer*
Nancy Scott	*Assistant-Treasurer*
Wade Dorland	*Bridge Director*

CORPORATE OFFICES

OTTAWA HEAD OFFICE

200-55 Metcalfe Street
Ottawa, Ontario K1P 6L5
1-866-422-6346
(613) 366-5074
(613) 366-5174
www.federalbridge.ca / info@federalbridge.ca

BLUE WATER BRIDGE LOCATION

1555 Venetian Boulevard
Point Edward, Ontario N7T 0A9
1-866-422-6346
(519) 336-2720
(519) 336-7622
Joe Dedecker, Bridge Director

SUBSIDIARY

THE SEAWAY INTERNATIONAL BRIDGE CORPORATION, LTD.

200 Akwesasne International Road
Akwesasne, Ontario K6H 5R7
(613) 932-6601
(613) 932-9086
www.sibc.ca
Wade Dorland, Bridge Director

PARTNERS

SAULT STE. MARIE INTERNATIONAL BRIDGE AUTHORITY

934 Bridge Plaza
Sault Ste. Marie, Michigan 49783
(705) 942-4345
www.saultbridge.com
Peter Pertäinen, Bridge Director

THE THOUSAND ISLANDS BRIDGE AUTHORITY

P.O. Box 10
Lansdowne, Ontario K0E 1L0
(315) 482-2501
(315) 482-5925
www.tibridge.com
Timothy Sturick, Executive Director