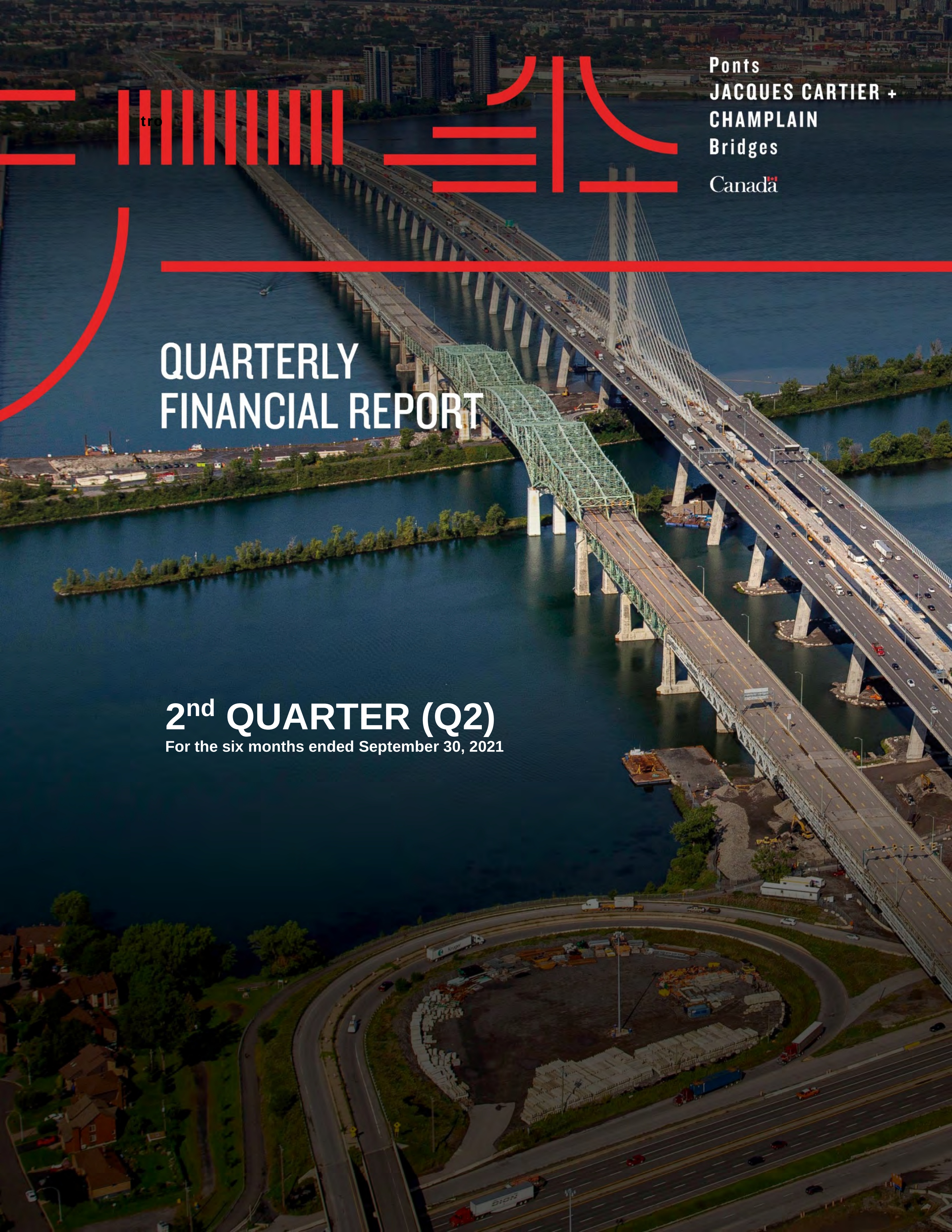
Ponts
JACQUES CARTIER +
CHAMPLAIN
Bridges

Canada



QUARTERLY FINANCIAL REPORT

2nd QUARTER (Q2)

For the six months ended September 30, 2021

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SECTION 1

STATUS

1. STATUS

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

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

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

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

1.1 MANDATE

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

For each of these infrastructures, JCCBI assumes responsibility for:

- Mobility on traffic lanes and active mobility lanes;
- Operations;
- Inspections;
- Maintenance;
- Repairs and/or rehabilitation;
- Safety;
- Coordination with stakeholders (federal, provincial, municipal and others);
- Management of contaminated sites;
- Environment.

1.2 MISSION, VISION AND VALUES

Our Mission

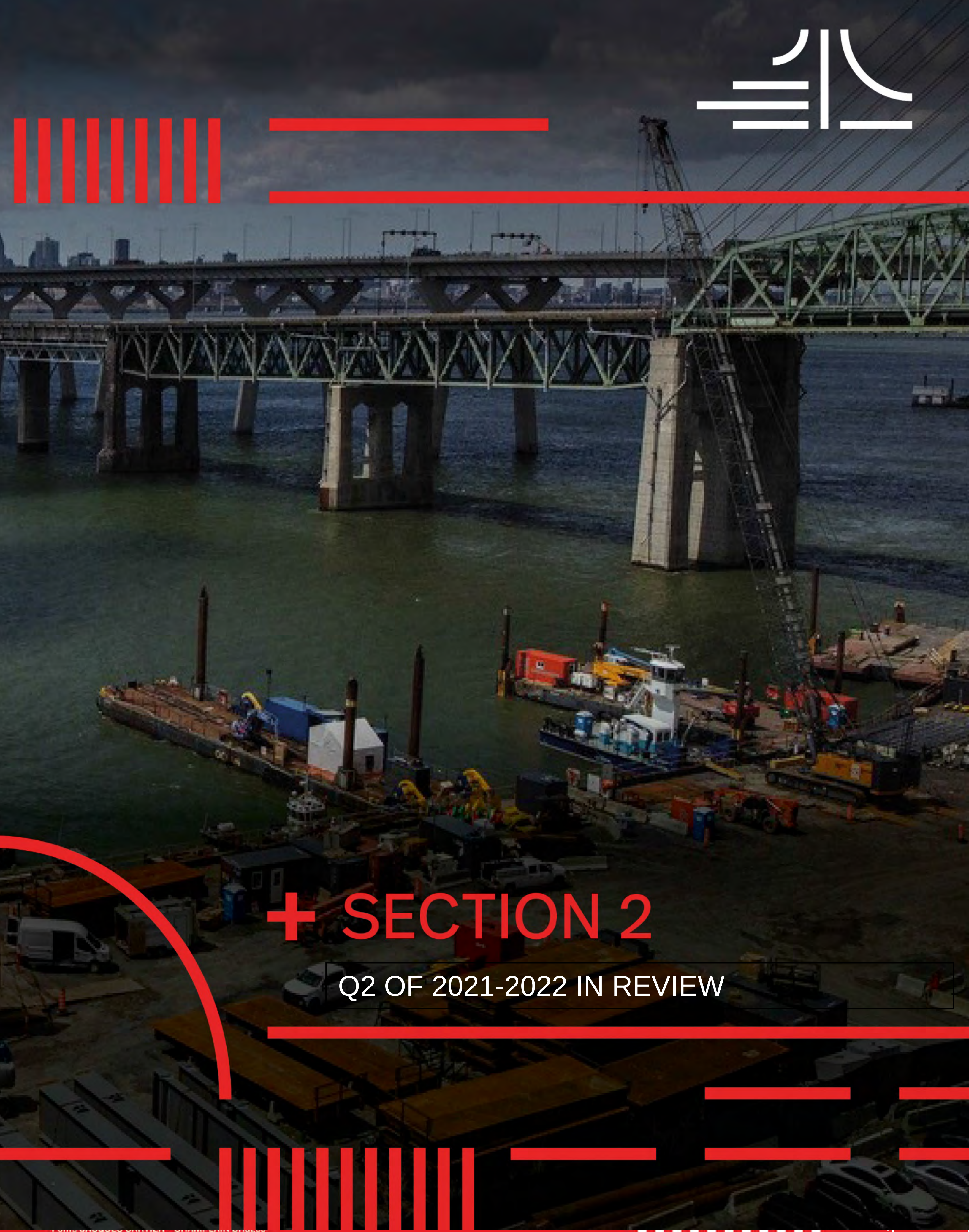
Ensure user mobility, safety, and infrastructure longevity using a systemic management approach based on sustainable development.

Our Vision

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

Our Values

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



SECTION 2

Q2 OF 2021-2022 IN REVIEW

2. Q2 OF 2021-2022 IN REVIEW

This quarterly financial report has been prepared in accordance with the requirements of the FAA and those of the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Report. It provides an assessment of JCCBI's operations and financial position for the quarter ended September 30, 2021 (Q2). It must be read in conjunction with the unaudited Interim Financial Statements and accompanying notes contained in this document, as well as with the audited Annual Financial Statements and supporting notes contained in JCCBI's annual report.

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

2.1 SUMMARY

JCCBI declares a $10.7 M surplus for the six-month period ended September 30, 2021 ($2.2 M as at September 30, 2020). The deficit before public funding is $115.9 M as at September 30, 2021 ($100.7 M as at September 30, 2020). This increase is mainly due to the work carried out to deconstruct the original Champlain Bridge.

For the same period, the acquisitions of gross capital assets amounted to $27.1 M ($17.6 M as at September 30, 2020).

On the Statement of Financial Position, financial assets increased by $15.4 M, totaling $83.0 M as at September 30, 2021 ($67.6 M as at March 31, 2020). This change is related to investment activities.

Liabilities increased by $15.5 M to amount to $123.3 M as at September 30, 2021 ($107.8 M as at March 31, 2021). This increase is mainly due to the increase in accounts payable and contractual holdbacks.

As at September 30, 2021, the net debt remained stable at $40.3 M compared to March 31, 2021.

2.2 OUTLOOK

The section of the Bonaventure Expressway consisting of non-elevated lanes is at the end of its service life. To ensure urban integration with the City of Montreal, an urban boulevard vision was selected for its reconfiguration and reconstruction. The preliminary project study for the development of technical solutions for the reconstruction into an urban boulevard, including shoreline improvements along the St. Lawrence River and the addition of active mobility lanes, is underway and progressing rapidly, in collaboration with the City of Montreal and certain stakeholders.

JCCBI is collaborating and taking the necessary steps to support the relevant instances in order to follow up on the budget statement presented in the April 19, 2021 Federal Budget with respect to the Bonaventure Expressway.

Through its involvement in this project, JCCBI is proud to contribute to the achievement of various targets of the federal government's Federal Sustainable Development Strategy (FSDS).

The funding that has been approved by the government until 2022-2023 makes it possible to maintain the infrastructures that play a vital role for mobility, the population, the economy and connecting Canadians with nature.

2.3 IMPORTANT CHANGES

As part of the original Champlain Bridge deconstruction project, the first span over the river was successfully taken down in early July 2021 with a mega catamaran barge, a unique system custom-built through the collaboration of several Quebec, American and European engineering firms. As at September 30, 2021, 11 spans had been deconstructed using this catamaran barge.

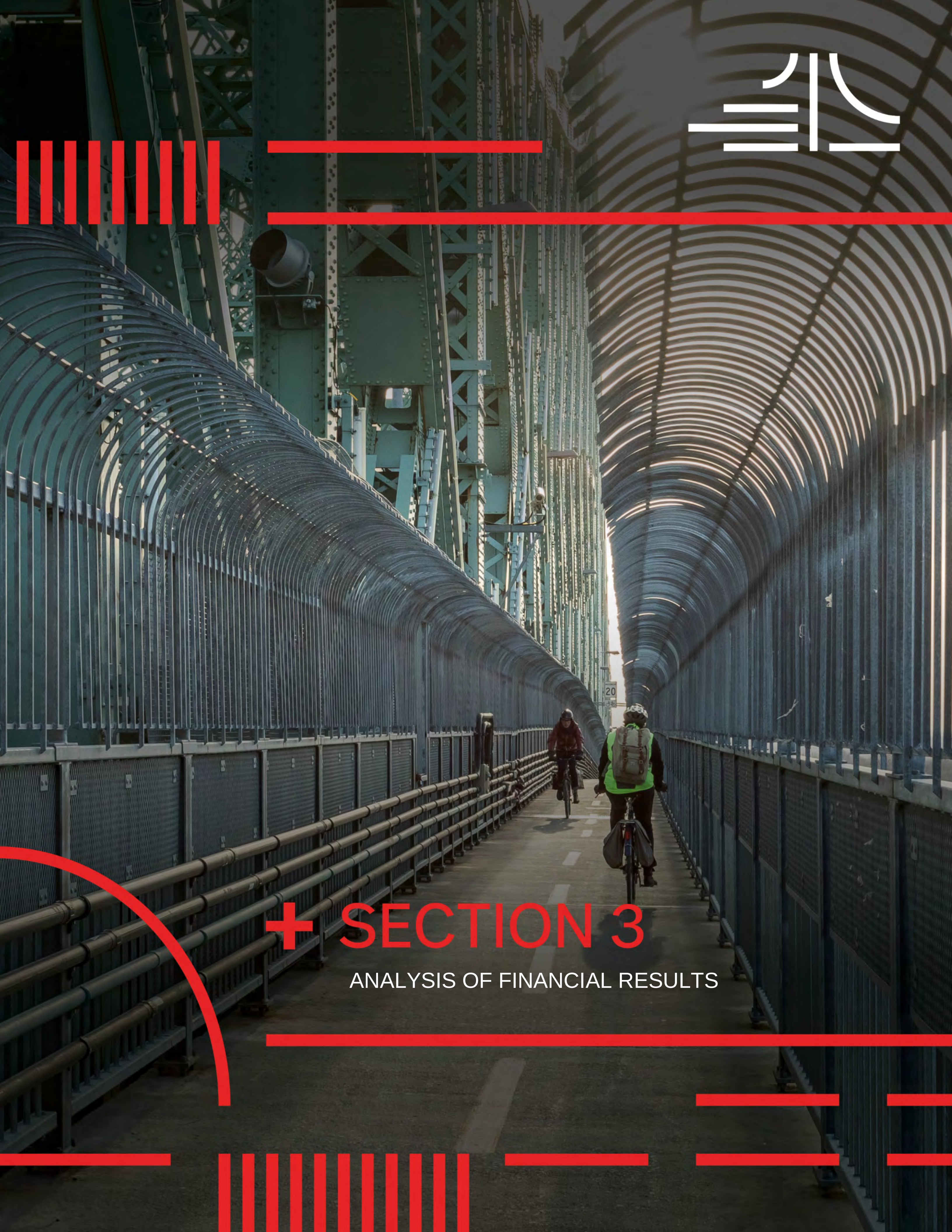
At the beginning of the quarter, JCCBI was pleased to announce the appointment of Ms. Lucie Painchaud, CPA, CMA, as Senior Director, Administration and Treasurer. With the arrival of Ms. Painchaud, the management team is now complete to pursue JCCBI's mission and meet the challenges associated thereto.

On August 28, 2021, the Board of Directors appointed Mr. Paul Robert, Senior Director, Legal Affairs and Human Resources, as Corporate Secretary.

JCCBI is contributing to the overall goal of reducing Canada's greenhouse gas emissions by 30% below 2005 levels by 2030, a target set by the FSDS. In this context, JCCBI has installed six electric charging stations for use by its employees during business hours.

JCCBI has also announced that the hours of operation of the Jacques Cartier Bridge multifunctional path and sidewalk will be extended for the winter of 2021-2022. In fact, weather permitting, active mobility enthusiasts who wish to use the path and sidewalk will be able to do so seven days a week, between 5:00 a.m. and 10:30 p.m., an increase of 90 minutes per day compared to last year.

Finally, during the quarter, the Quebec government and JCCBI concluded a transaction related to the Honoré Mercier Bridge deck replacement project for which JCCBI is currently evaluating the accounting method.



SECTION 3

ANALYSIS OF FINANCIAL RESULTS

3. ANALYSIS OF FINANCIAL RESULTS

3.1 RESULTS OF OPERATIONS

3.1.1 Statement of Financial Position

Financial Assets

During the six-month period ended September 30, 2021, the total financial assets increased by $15.4 M, to amount to $83.0 M, compared to $67.6 M as at March 31, 2021. A determining factor in the variation in financial assets is the date on which the federal appropriations, which include the funding for the capital projects and the operating expenses, are received.

Liabilities

Accounts payable and accrued liabilities increased by $13.1 M, from $69.6 M as at March 31, 2021 to $82.7 M as at September 30, 2021. This increase is largely due to the variation of activities of the various ongoing construction projects.

To carry out its major projects, JCCBI entered into construction contracts that provide for the withholding of a portion of the payment until certain work is completed in compliance with the performance requirements and the contractual warranties have expired. These contractual holdbacks increased by $2.6 M to amount to $9.0 M as at September 30, 2021 ($6.4 M as at March 31, 2021). These amounts will become payable when the work is completed and the warranties have expired.

Non-Financial Assets

Non-financial assets total $660.9 M as at September 30, 2021 compared to $650.3 M as at March 31, 2021. This is an increase of $10.6 M that is mainly attributable to tangible capital assets net of amortization, which increased by $10.5 M to total $649.2 M compared to $638.7 M as at March 31, 2021. This increase comes from the gross capital investments of $27.1 M, less disposals of $0.1 M and amortization expenses of $16.5 M. The major works concerned by these acquisitions are mainly those carried out on the Jacques Cartier Bridge ($16.8 M), the Honoré Mercier Bridge ($9.0 M) and the Bonaventure Expressway ($0.9 M).

Government Funding

The following table summarizes the public funding for the second quarter of the current fiscal year as at September 30, 2021:

(In thousands of dollars)	Second Quarter		Cumulative (six months)	
	2021-2022	2020-2021	2021-2022	2020-2021
Public funding for operating expenses	52,709	57,637	99,492	85,358
Public funding for tangible capital assets	11,836	12,261	27,113	17,557
TOTAL	**64,545**	**69,898**	**126,605**	**102,915**

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

3.1.2 Expenses

Maintenance

Maintenance expenses during the first six months of fiscal year 2021-2022 represent 89.5% (89.6% as at September 30, 2020) of total cumulative expenses.

For this period, the maintenance expenses, including amortization, totalled $104.3 M and are broken down as follows:

+ $42.3 M in work for the deconstruction of the original Champlain Bridge;
+ $18.7 M in work at the Jacques Cartier Bridge;
+ $17.3 M in work at the Honoré Mercier Bridge;
+ $8.1 M in work on the Bonaventure Expressway;
+ $3.9 M in work at the Île des Sœurs Bypass Bridge;
+ $1.3 M in work at the Champlain Bridge Estacade;
+ $1.0 M in work at the Melocheville Tunnel;
+ $7.5 M for salaries and employee benefits;
+ $4.2 M for various other projects and equipment.

Operations

Operating expenses during the first six months totalled $2.2 M ($2.0 M as at September 30, 2020) and represent 1.9% of total expenses (2.0% as at September 30, 2020).

Administration

Administrative expenses for the first six months of the fiscal year total $8.5 M and increased compared to the same period of the previous fiscal year ($7.4 M as at September 30, 2020). In the first two quarters of 2021-2022, administrative expenses represented 5.9% of total expenses combined with capital asset acquisitions (6.2% as at September 30, 2020). This rate varies, notably in relation to total expenses, and may fluctuate from year to year. As stated in the 2020-2021 to 2024-2025 Corporate Plan Summary, the percentage of administrative expenses based on total expenses is expected to range from 5.46% to 12.34%, averaging 7.77% over the five fiscal years covered by said Corporate Plan.

3.2 CASH FLOW

The cash position, as reported on the Statement of Financial Position, decreased by $0.3 M as at September 30, 2021 to total $48.5 M ($48.8 M as at March 31, 2021) and is closely linked to the payments of the federal parliamentary appropriations. As at September 30, 2021, the net amount receivable from government departments and agencies amounted to $34.1 M ($17.9 M as at March 31, 2021).

3.3 STRATEGIC ISSUES AND RISKS

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

3.3.1 Asset Management

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

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

As the Corporation wishes to ensure its positioning as a leader in infrastructure management, a comparative positioning analysis was carried out on asset management. Based on the results of this analysis, JCCBI is currently developing a strategic plan for asset management. JCCBI's objective is to integrate the best practices recognized in the field, based on the ISO 55000 standard.

3.3.2 Major Projects

Jacques Cartier Bridge

In order to ensure the sustainability of the structure, a retrofit plan has been developed, which includes the following work for the current fiscal year:

+ The preliminary project study on the increase in the active mobility service offer continued in the second quarter of 2021-2022. The objective of this study is to allow safe passage for cyclists and pedestrians throughout the year, to reduce the risk of accidents and to improve user-friendliness and safety, all within an approach based on a global vision of the Greater Montreal cycling network and sustainable development. During the second quarter of 2021-2022, the detailed preliminary project study on the three selected alternatives continued and is expected to be completed in the fall of 2022;
+ A detailed preliminary project study report and a complementary study to further develop the seismic component to ensure the sustainability of the Île Sainte-Hélène pavilion were submitted during the third quarter of 2019-2020. In view of the preliminary conclusions of the seismic analysis and of the costs related thereto, the seismic component will be included in another overall seismic reinforcement project. This project, started in the third quarter of 2020-2021, is still in progress;
+ The construction of the new building and new layout of the adjacent service yard for the Operations and Maintenance division is underway and is expected to be completed in the third quarter of 2021-2022;
+ The drained water management and land development work in Section 8 of the bridge is underway and is expected to be completed in the third quarter of 2021-2022;
+ A summary preliminary project study began in the second quarter of 2021-2022 for the demolition of the Plaza building and the reconfiguration of the adjacent lands. The project schedule is coordinated with the relocation of the Operations and Maintenance division into the new building.

Original Champlain Bridge and Estacade

During the second quarter of 2021-2022, the contractor responsible for the deconstruction of the original Champlain Bridge began dismantling the spans of the maritime section. During this period, 11 spans were deconstructed using the catamaran barge.

A second catamaran barge was also mobilized and modified at the Estacade wharf to begin the deconstruction of the piers. Work began in September 2021 and, as of September 30, 2021, four piers had been deconstructed, ahead of the contractor's schedule for this work.

A third catamaran barge is being prepared at the Estacade wharf to begin the deconstruction of the footings in October 2021.

All the concrete from the deconstruction is transported to a recovery site where it is processed for reuse.

During the quarter, the contractor also focused on the steel reinforcement of the existing structure in preparation for lowering the large steel span located over the St. Lawrence Seaway onto a barge. Said barge will transport the span to a site where it will be deconstructed. The mobilization on this site is currently in the planning stage and is expected to be completed in the fall of 2021. The dismantling of the large steel span is scheduled for early 2022.

In 2019, JCCBI began a consultation process with certain stakeholders to promote the use of the materials from the original Champlain Bridge on other projects in the Greater Montreal area. During the second quarter of 2021-2022, JCCBI continued to pursue agreements with various partners, in addition to enhancing its outreach efforts through the competition for the reuse of the materials from the bridge. The call for participation for the competition closes on December 31, 2021.

With respect to the Estacade, the preliminary results of the footings service life monitoring program show encouraging signs. According to these results, a standard asset maintenance program would be sufficient to ensure that the footings have a service life of more than 60 years.

Bonaventure Expressway

The preliminary project studies for the reconfiguration of sections 11 and 12 of the expressway into an urban boulevard are continuing. At the end of August 2021, a contract was awarded to the consultant that will conduct the detailed preliminary project studies and whose work plan is in preparation. The detailed preliminary project studies are scheduled to be completed early in the second quarter of 2022-2023. A Collaboration Framework, a Coordination Committee and a Steering Committee are in place to ensure ongoing communication with the City of Montreal on the project.

JCCBI is collaborating and taking the necessary steps to support the relevant instances in order to follow up on the budget statement presented in the April 19, 2021 Federal Budget.

Preliminary project studies for the maintenance of the Clément Bridge and other JCCBI infrastructures on Île des Sœurs are underway. The contract for said studies was awarded in July 2021.

Work to maintain the elevated section of the Bonaventure Expressway continued during the second quarter of 2021-2022. The end of the work, which is scheduled for the third quarter of 2021-2022, will mark the end of the maintenance work for a few years.

Île des Sœurs Bypass Bridge

The contract for the design of the Île des Sœurs Bypass Bridge deconstruction work was awarded in July 2021. Preparatory work for this major project is expected to begin in the third quarter of 2022-2023.

Honoré Mercier Bridge

The major rehabilitation program to repair the piers and replace the paint coating continued according to plan and the call for tender process progressed as planned. Two contracts have been awarded in the second quarter of 2021-2022. One of these contracts includes the replacement of the road surface at the approaches to the bridge.

The preliminary project studies for the connection of the bridge’s multifunctional path to the municipal network, the validation of the stability of the banks and the environmental characterization of the lands are expected to be completed in the third quarter of 2021-2022. With respect to the development of a memorial circuit, which is the subject of ongoing discussions with the Mohawk Community of Kanawa:ke, the preliminary project study is expected to be finalized in the third quarter of 2021-2022. However, this timeline may be revised depending on the pace of coordination with the community.

3.3.3 Environment and Sustainable Development

In order to manage the environmental risks and meet both the corporate and the Government of Canada's environmental and sustainable development objectives, the following initiatives continued in the second quarter of 2021-2022:

+ The characterizations of JCCBI's lands have begun. Said characterizations will make it possible to establish with greater precision all the actions required for the remediation and control of the contaminants during the execution of the projects and thus reduce the risks related to these issues;
+ JCCBI participates in the Federal Contaminated Sites Action Plan (FCSAP), administered by Environment and Climate Change Canada for the implementation of the mitigation measures to contain/pump or pump/treat the contaminated groundwater on lands in the Bonaventure Expressway sector (East and West Sectors) along the St. Lawrence River;
+ A first annual review of the major environmental activities will be filed internally by the ESD division in the third quarter of 2021-2022;
+ Rigorous monitoring of the environmental management as part of the original Champlain Bridge deconstruction continues. Compensation projects for fish habitat and wetlands are being evaluated and implemented.

3.3.4 Occupational Health and Safety (OHS)

The OHS division continues to update the Corporation's OHS management program. This program is evolving and its review and upgrade process on a three-year cycle is underway. Safe work procedures have been developed to assess and manage the risks present in the work environment and are in the process of being approved. In addition, security measures related to COVID-19 have been developed and communicated to support the gradual return of employees to JCCBI's offices in a hybrid mode. This entire process is carried out in collaboration with the local OHS Committees and the divisions concerned in order to reflect the vision of the Corporation's OHS reality.

3.3.5 Sustainable Funding

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

JCCBI has received funding for its projects until 2022-2023 (2023-2024 for the original Champlain Bridge deconstruction project). This funding, which expires next year, has an impact on JCCBI's ability to forecast and award medium and long-term contracts. The approval of a new funding cycle and of the carryover requests filed in July 2021 is critical to mitigating the risks associated with the degradation of bridges and structures.

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

3.3.6 Human Resources Management

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

To retain its employees, JCCBI ensures professional development and succession planning by putting their talents to use.

The health and well-being initiative based on the "Healthy Enterprise" standard and the equity and diversity initiative are underway. A multidisciplinary deployment committee has been created to develop and carry out the activities of the 2021-2023 action plans.

JCCBI has also initiated the development of its Employer brand. An analysis is underway to develop JCCBI's positioning in order to launch the project, which is expected to be completed in 2022.

The COVID-19 pandemic requires JCCBI to review its telecommuting program as well as the work organization to adapt its activities and programs affecting all staff.

The negotiations with the Canadian Union of Public Employees, Local 4102, for the renewal of the collective agreement, which expired on December 31, 2020, are underway. The negotiations for the renewal of the collective agreement with the *Syndicat des travailleuses et travailleurs des ponts Jacques Cartier et Champlain* (CSN), which also expired on December 31, 2020, are scheduled to begin in the fall of 2021.

During the first half of fiscal year 2021-2022, JCCBI conducted a strategic review of its operations and of the evolution of the workforce plan associated therewith, based on its mandate and various investment scenarios.

All these human resources management initiatives are aimed at improving the employee experience and stimulating organizational recognition, all in order to position the Corporation as "Best Employer" in 2024.

3.3.7 Information Technologies (IT)

In order to manage and minimize its IT risks, JCCBI has implemented a business continuity strategy. Said strategy will be tested and reviewed on an annual basis via the Business Continuity Committee.

JCCBI's strategy for improving the security posture continues as part of the Information Technology and systems Improvement Program (ITSIP). This program includes several initiatives, some of which were completed in the current quarter, and will extend through the last quarter of 2022-2023.

In addition, penetration testing and employee awareness activities are conducted on a continuous basis.

3.4 REPORT ON THE USE OF APPROPRIATIONS

According to planning, the parliamentary appropriations available for the current fiscal year total $325.0 M.

(In thousands of dollars)	As at September 30, 2021			As at September 30, 2020		
	Operations	Capital	Total	Operations	Capital	Total
Main Estimates	262,222	58,056	320,278	278,758	48,862	327,620
Available Funding	**266,954**	**58,056**	**325,010**	**278,758**	**48,862**	**327,620**
Parliamentary Appropriations [1]						
+ Used	99,492	27,113	126,605	85,358	17,557	102,915
+ Required	162,730	30,943	193,673	193,400	31,305	224,705
Total Parliamentary Appropriations	**262,222**	**58,056**	**320,278**	**278,758**	**48,862**	**327,620**

(1) JCCBI generally receives its funding only after expenses are incurred.

SECTION 4

JCCBI'S 2021-2022 UNAUDITED INTERIM FINANCIAL STATEMENTS

4. JCCBI'S 2021-2022 UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2021, JCCBI's unaudited Interim Financial Statements have been prepared by management, reviewed by the Audit Committee and approved by JCCBI's Board of Directors. JCCBI's external auditors have not audited or reviewed these Financial Statements.

4.1 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management of The Jacques Cartier and Champlain Bridges Incorporated ("the Corporation") is responsible for the preparation and fair presentation of these quarterly Financial Statements in accordance with the Canadian Public Sector Accounting Standards and the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Report. This responsibility requires the selection of appropriate accounting principles and the ability to exercise judgment in establishing reasonable estimates.

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

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

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

Sandra Martel, Eng.
Chief Executive Officer

Lucie Painchaud, CPA, CMA
Senior Director, Administration and Treasurer

November 16, 2021

4.2 STATEMENT OF FINANCIAL POSITION

(Unaudited – in Canadian Dollars)

	September 30, 2021	March 31, 2021
	$	$
Financial Assets		
Cash	48,513,958	48,835,821
Accounts receivable (Note 4.6.3)	34,500,587	18,724,379
Total Financial Assets	**83,014,545**	**67,560,200**
Liabilities		
Accounts payable and accrued liabilities (Note 4.6.4)	82,674,994	69,517,464
Employee future benefits	449,891	518,210
Contractual holdbacks (Note 4.6.5)	9,001,617	6,353,181
Deferred revenue	148,864	299,882
Environmental obligations (Note 4.6.6)	31,007,000	31,157,000
Total Liabilities	**123,282,366**	**107,845,737**
Net Debt	**(40,267,821)**	**(40,285,537)**
Non-Financial Assets		
Tangible capital assets (Note 4.6.7)	649,163,147	638,676,972
Prepaid expenses	1,417,725	1,217,121
Contract advance	10,359,479	10,359,479
Total Non-Financial Assets	**660,940,351**	**650,253,572**
Accumulated Surplus (Note 4.6.8)	**620,672,530**	**609,968,035**

CONTINGENCIES

(Note 4.6.9).

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

Approved by the Board of Directors

Director

Director

4.3 STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

(Unaudited – in Canadian Dollars)

	Twelve Months Ended	Six Months Ended			
	March 31, 2022	September 30, 2021		September 30, 2020	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$	$
Revenue					
Leases and permits	593,000	141,272	282,976	130,483	254,243
Interest	459,000	85,878	179,700	90,797	215,284
Other sources	---	106,979	113,599	410	843
Total Revenue	**1,052,000**	**334,129**	**576,275**	**221,690**	**470,370**
Expenses (Note 4.6.11)					
Maintenance and deconstruction	278,961,000	55,714,868	104,267,940	60,647,537	90,714,224
Operations	4,622,000	1,085,943	2,183,264	1,092,658	2,044,885
Administration	20,551,000	4,017,699	8,499,592	3,003,436	7,399,499
Environmental obligations	(4,368,000)	950,985	1,525,528	700,110	1,035,455
Total Expenses	**299,766,000**	**61,769,495**	**116,476,324**	**65,443,741**	**101,194,063**
Deficit before Government of Canada funding	(298,714,000)	(61,435,366)	(115,900,049)	(65,222,051)	(100,723,693)
Portion of transfer payments for operating expenses (Note 4.6.12)	262,222,000	52,709,641	99,491,870	57,637,469	85,357,560
Portion of transfer payments for tangible capital assets (Note 4.6.12)	58,056,000	11,835,697	27,112,674	12,260,768	17,556,926
Operating Surplus	**21,564,000**	**3,109,972**	**10,704,495**	**4,676,186**	**2,190,793**
Accumulated Operating Surplus, Beginning of the Year	**608,260,000**	**---**	**609,968,035**	**---**	**574,489,069**
Accumulated Operating Surplus, End of the Year	**629,824,000**	**---**	**620,672,530**	---	**576,679,862**

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

4.4 STATEMENT OF CHANGE IN NET DEBT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

(Unaudited – in Canadian Dollars)

	Twelve Months Ended	Six Months Ended		Six Months Ended	
	March 31, 2022	September 30, 2021		September 30, 2020	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$	$
Annual Operating Surplus	**21,564,000**	**3,109,972**	**10,704,495**	**4,676,186**	**2,190,793**
Acquisition of tangible capital assets (Note 4.6.7)	(49,330,000)	(11,835,697)	(27,112,674)	(12,260,768)	(17,556,926)
Amortization of tangible capital assets (Note 4.6.7)	32,134,000	8,316,216	16,626,499	7,569,428	15,132,260
Gain on disposal of tangible capital assets	---	(870)	(7,490)	---	---
Proceeds from disposal of tangible capital assets	---	870	7,490	---	---
Total Variation Due to Tangible Capital Assets	**(17,196,000)**	**(3,519,481)**	**(10,486,175)**	**(4,691,340)**	**(2,424,666)**
Addition of prepaid expenses	---	(953,208)	(1,566,248)	(475,866)	(763,463)
Use of prepaid expenses	---	807,572	1,365,644	562,127	942,670
Total Variation Due to Prepaid Expenses	**---**	**(145,636)**	**(200,604)**	**86,261**	**179,207**
Decrease (increase) in Net Debt	**4,368,000**	**(555,145)**	**17,716**	**71,107**	**(54,666)**
Net Debt, Beginning of the Year	**(29,641,000)**	**---**	**(40,285,537)**	**---**	**(33,026,156)**
Net Debt, End of the Year	**(25,273,000)**	**---**	**(40,267,821)**	**---**	**(33,080,822)**

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

4.5 STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

(Unaudited – in Canadian Dollars)

	Six Months Ended			
	September 30, 2021		September 30, 2020	
	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$
Operating Transactions				
Annual Operating Surplus	**3,109,972**	**10,704,495**	**4,676,186**	**2,190,793**
Non-Cash Items				
Amortization of tangible capital assets (Note 4.6.7)	8,316,216	16,626,499	7,569,428	15,132,260
Loss on disposal of tangible capital assets	---	---	---	---
Gain on disposal of tangible capital assets	(870)	(7,490)	---	---
Changes in environmental obligations	952,000	1,409,000	566,000	886,000
Changes in Other Items				
(Increase) decrease in accounts receivable	2,583,012	(15,776,208)	(26,147,424)	(36,301,151)
Increase in accounts payable and accrued liabilities	1,874,771	11,571,609	15,213,758	29,439,348
Decrease in employee future benefits	(40,490)	(68,319)	(57,845)	(19,128)
Increase in contractual holdbacks	2,094,817	2,648,436	326,602	33,325
Decrease in deferred revenue	(99,387)	(151,018)	(72,735)	(89,139)
Increase (decrease) in prepaid expenses	(145,636)	(200,604)	86,261	179,207
Decrease in environmental obligations	(502,000)	(1,559,000)	(493,000)	(633,000)
Cash Flow Provided by Operating Transactions	**18,142,405**	**25,197,400**	**1,667,231**	**10,818,515**
Tangible Capital Asset Investment Activities				
Proceeds from disposal of tangible capital assets	870	7,490	---	---
Cash used to acquire tangible capital assets	(13,111,365)	(25,526,753)	(7,560,848)	(10,847,348)
Cash Flow used for Tangible Capital Asset Investment Activities	**(13,110,495)**	**(25,519,263)**	**(7,560,848)**	**(10,847,348)**
(Decrease) increase in Cash	**5,031,910**	**(321,863)**	**(5,893,617)**	**(28,833)**
Cash, Beginning of the Year	**---**	**48,835,821**	**---**	**33,506,048**
Cash, End of the Year	**---**	**48,513,958**	**---**	**33,477,215**

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

4.6. NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

4.6.1 Authority and Activity

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

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

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

The Corporation is not subject to income tax legislation.

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

4.6.2 Significant Accounting Policies

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

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

Government Transfers

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

Tangible Capital Assets

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

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

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

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

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

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

Revenue Recognition

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

Employee Future Benefits

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

- **Post-Employment Benefits and Compensated Absences**: Employees are entitled to days of sick leave and compensation for work injuries, as provided for under their conditions of employment. Employees of the Corporation are subject to the *Government Employees Compensation Act*. Annually, they are paid the unused portion of their days of sick leave. These annual payments are recognized directly in current costs for the fiscal year. Before December 9, 2016, unionized employees accumulated their unused days of sick leave, which were redeemable at the end of their employment with the Corporation. The Corporation has recorded a liability for employees with banked leave balances at that date who have elected to retain them until their departure. Moreover, the Corporation recognizes the cost of compensation for work injuries payable at the time the event obligating the Corporation occurs. The liability that these benefits represent is determined based on management's best assumptions in terms of salary increases, age of employees, years of service, the probability of employees leaving, and average life expectancy. These assumptions are reviewed annually. Post-employment benefits and compensated absences are recognized at present value.

Environmental Obligations

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

Financial Instruments

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

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

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

Contingencies

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

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

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

Measurement Uncertainty

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

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

Budgetary Data

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

4.6.3 Accounts Receivable

The Corporation's accounts receivable consist of the following:

	September 30, 2021	March 31, 2021
	$	$
Due from the Government of Canada	32,545,339	14,276,121
Taxes receivable	1,568,918	3,650,828
Re-invoicing of work to business partners	213,750	125,696
Other accounts receivable	172,580	671,734
Total Accounts Receivable	**34,500,587**	**18,724,379**

4.6.4 Accounts Payable and Accrued Liabilities

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

	September 30, 2021	March 31, 2021
	$	$
Suppliers and accrued liabilities	81,280,434	67,960,129
Salaries and employee benefits	1,394,560	1,557,335
Total Accounts Payable and Accrued Liabilities	**82,674,994**	**69,517,464**

4.6.5 Contractual Holdbacks

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

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

4.6.6 Environmental Obligations

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

The Corporation has identified a total of 18 sites (16 sites as at March 31, 2021) that may be contaminated and require assessment, remediation or a risk management strategy and monitoring. Among these 18 sites, 4 have been assessed (4 sites as at March 31, 2021) and remediation measures or risk management strategies are in place or planned for which a liability of $31,007,000 ($31,157,000 as at March 31, 2021) has been recognized.

No liability has been recognized for the other 14 sites (12 sites as at March 31, 2021). However, 11 of these 14 sites are in various stages of testing and assessment and if either remediation or a risk management strategy is required, the Corporation plans to abandon future economic benefits to that effect and a liability will be recognized as soon as a reasonable estimate can be determined. With respect to the three other sites, the Corporation does not expect to forego future economic benefits due to the likely absence of environmental impacts or significant threat to human health.

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

+ The discount rates are determined based on the actual zero-coupon yield curve for Government of Canada bond market issued by the Bank of Canada. The discount rate ranges from 0.26% to 1.58% (as at March 31, 2021 – 0.16% to 1.86%).
+ The inflation rate of 3.38% (as at March 31, 2021 – 3.08%) is based on the non-residential building construction price index.

	September 30, 2021 ($)		March 31, 2021 ($)	
Sectors	**Undiscounted Liability to which the Inflation Rate was Applied**	**Discounted Liability to which the Inflation Rate was Applied**	**Undiscounted Liability to which the Inflation Rate was Applied**	**Discounted Liability to which the Inflation Rate was Applied**
Bonaventure Expressway: East Sector (1)	21,483,000	**19,240,000**	20,879,000	**18,333,000**
Bonaventure Expressway: West Sector (1)	10,014,000	**9,097,000**	10,183,000	**9,084,000**
Jacques Cartier Bridge (2)	441,000	**441,000**	1,511,000	**1,511,000**
Original Champlain Bridge (3)	2,229,000	**2,229,000**	2,229,000	**2,229,000**
Total	34,167,000	**31,007,000**	34,802,000	**31,157,000**

(1) East and West Sectors of the Bonaventure Expressway

As at September 30, 2021, the priority environmental issue for the Corporation remains that of the lands located in the Bonaventure Expressway sector. These lands, which have been managed by the Corporation since 1978, are located on a portion of and close to a former landfill site operated by the City of Montreal between 1866 and 1966. This former landfill site covers several tracts of land belonging to different owners. Since 2003, the Corporation has conducted studies and toxicity tests on the groundwater in this location. The tests revealed that the groundwater is contaminated beyond acceptable criteria. Given the complexity of the issue, the involvement of numerous owners and the significant costs involved, the federal government has focused on integrated solutions to the environmental issues at this site. This site can be divided into two sectors: the East Sector and the West Sector.

For the East Sector, the containment and pumping operations have begun in 2018. For the West Sector, both the containment of groundwater and the operation of the treatment plant have begun in 2017. The

Corporation is managing this project. The portion of the costs borne by the Corporation for the West Sector is 50% of the total costs to be incurred.

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

(2) Lands under the Jacques Cartier Bridge

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

(3) Lands under the Original Champlain Bridge

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

4.6.7 Tangible Capital Assets

(Unaudited – in Canadian Dollars)

	Lands	Bridges and Roads	Vehicles and Equipment	Leasehold Improvements	Projects in Progress	Total
	$	$	$	$	$	$
COST						
April 1, 2020	5,250,117	868,910,778	4,720,696	1,191,991	32,313,844	912,387,426
Acquisitions	---	33,771,255	1,387,783	56,398	28,432,726	63,648,162
Disposals	---	(349,710)	(45,672)	---	---	(395,382)
Decommissioning	---	(72,146,915)	---	---	---	(72,146,915)
Transfers	---	32,059,834	---	---	(32,059,834)	---
March 31, 2021	**5,250,117**	**862,245,242**	**6,062,807**	**1,248,389**	**28,686,736**	**903,493,291**
Acquisitions	---	1,025,797	479,082	---	25,607,795	27,112,674
Disposals	---	---	(133,412)	---	---	(133,412)
Transfers	---	---	---	---	---	---
September 30, 2021	**5,250,117**	**863,271,039**	**6,408,477**	**1,248,389**	**54,294,531**	**930,472,553**
ACCUMULATED AMORTIZATION						
April 1, 2020	---	302,878,709	2,614,350	445,028	---	305,938,087
Amortization	---	30,536,493	479,354	294,489	---	31,310,336
Disposals	---	(239,517)	(45,672)	---	---	(285,189)
Decommissioning	---	(72,146,915)				(72,146,915)
March 31, 2021	---	**261,028,770**	**3,048,032**	**739,517**	---	**264,816,319**
Amortization	---	16,167,016	303,353	156,130	---	16,626,499
Disposals	---	---	(133,412)	---	---	(133,412)
September 30, 2021	---	**277,195,786**	**3,217,973**	**895,647**	**---**	**281,309,406**
NET BOOK VALUE						
March 31, 2021	**5,250,117**	**601,216,472**	**3,014,775**	**508,872**	**28,686,736**	**638,676,972**
September 30, 2021	**5,250,117**	**586,075,253**	**3,190,504**	**352,742**	**54,294,531**	**649,163,147**

As at September 30, 2021, “Accounts Payable and Accrued Liabilities” includes acquisitions related to tangible capital assets of $16,942,792 ($15,356,871 as at March 31, 2021).

4.6.8 Share Capital

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

4.6.9 Contingencies

Legal Proceedings and Claims

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

As at September 30, 2021, some contingent assets are under negotiation with business partners and their estimated amount cannot be determined. The contingent assets are not recognized in the Financial Statements.

Other Contingencies

a) The Corporation has signed agreements to install, maintain and use closed circuit cables on lands it does not own. In the event of the termination of these agreements, the Corporation will have to remove its facilities, at its own expense. As at September 30, 2021, neither the owners of the lands nor the Corporation has indicated an intention to terminate the agreements. Therefore, no contingent liability related to these capital assets has been recognized.

b) The Corporation holds a structure erected on lands whose owner has transferred the management and administration to the Government of Canada. The owner of the lands could reclaim them in the event of a change of use, without any compensation for the structure built, provided that it is in a condition satisfactory to the owner. The Corporation currently has no intention of changing the current use of these lands. Therefore, no liability has been recognized for this capital asset.

c) The Corporation holds other structures also erected on lands whose owner has transferred the administration to the Government of Canada. In the event that any of these lands are no longer required or cease to be used for the purposes for which the transfer of administration was granted, such land shall revert to the owner, who will advise if the structures, constructions or improvements built thereon are required. If so, the retrocession will include the structures, constructions and improvements. If not, said structures, constructions and improvements shall be deconstructed and removed within five (5) years. In both cases, the land shall have been restored to good condition to the satisfaction of the owner and in accordance with the agreed environmental requirements, all without compensation. The Corporation currently has no intention of changing the current use of these lands. Therefore, no liability has been recognized for these capital assets.

4.6.10 Related Party Transaction

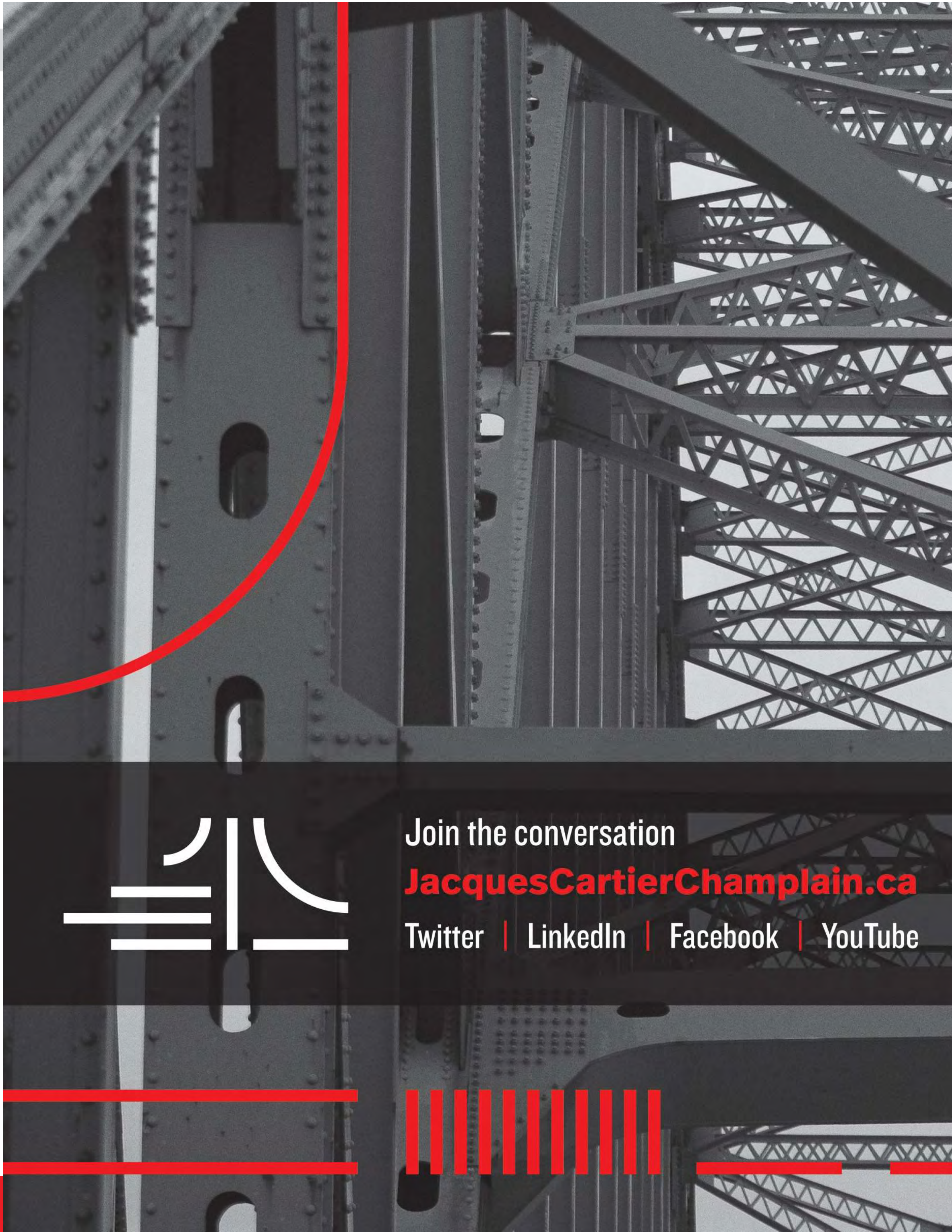
The Corporation is related in terms of common ownership to all departments, agencies, and Crown corporations created by the Government of Canada, as well as to the Corporation's Board of Director members, Chief Executive Officer and Senior Directors, close family members thereof and entities subjected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

4.6.11 Expenses by Type

	September 30, 2021	September 30, 2020
	$	$
Regular and major maintenance	34,165,993	34,385,195
Deconstruction – original Champlain Bridge	41,959,878	30,587,404
Environmental obligations	1,525,528	1,035,455
Amortization of tangible capital assets	16,626,499	15,132,260
Salaries and employee benefits	11,457,467	11,531,495
Professional services	7,813,484	5,523,702
Goods and service	2,927,475	2,998,552
Total Expenses	**116,476,324**	**101,194,063**

4.6.12 Parliamentary Appropriations

	September 30, 2021	September 30, 2020
	$	$
Parliamentary appropriations requested	129,402,848	103,739,588
Long-term contractual holdbacks	(2,798,304)	(825,102)
Total Parliamentary Appropriations Recognized as Revenue	**126,604,544**	**102,914,486**
Distribution		
Portion of transfer payments for operating expenses	99,491,870	85,357,560
Portion of transfer payments for tangible capital assets	27,112,674	17,556,926
Total Parliamentary Appropriations Recognized as Revenue	**126,604,544**	**102,914,486**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