Ponts
JACQUES CARTIER +
CHAMPLAIN
Bridges

Canada

QUARTERLY FINANCIAL REPORT

2nd QUARTER (Q2)

For the six months ended September 30, 2022

TABLE OF CONTENTS

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).

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

Furthermore, JCCBI is an agent of His 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 one 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 (which is no longer in service and will be deconstructed in the near future), 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 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;
+ Environmental protection.

1.2 MISSION, VISION AND VALUES

Our Mission

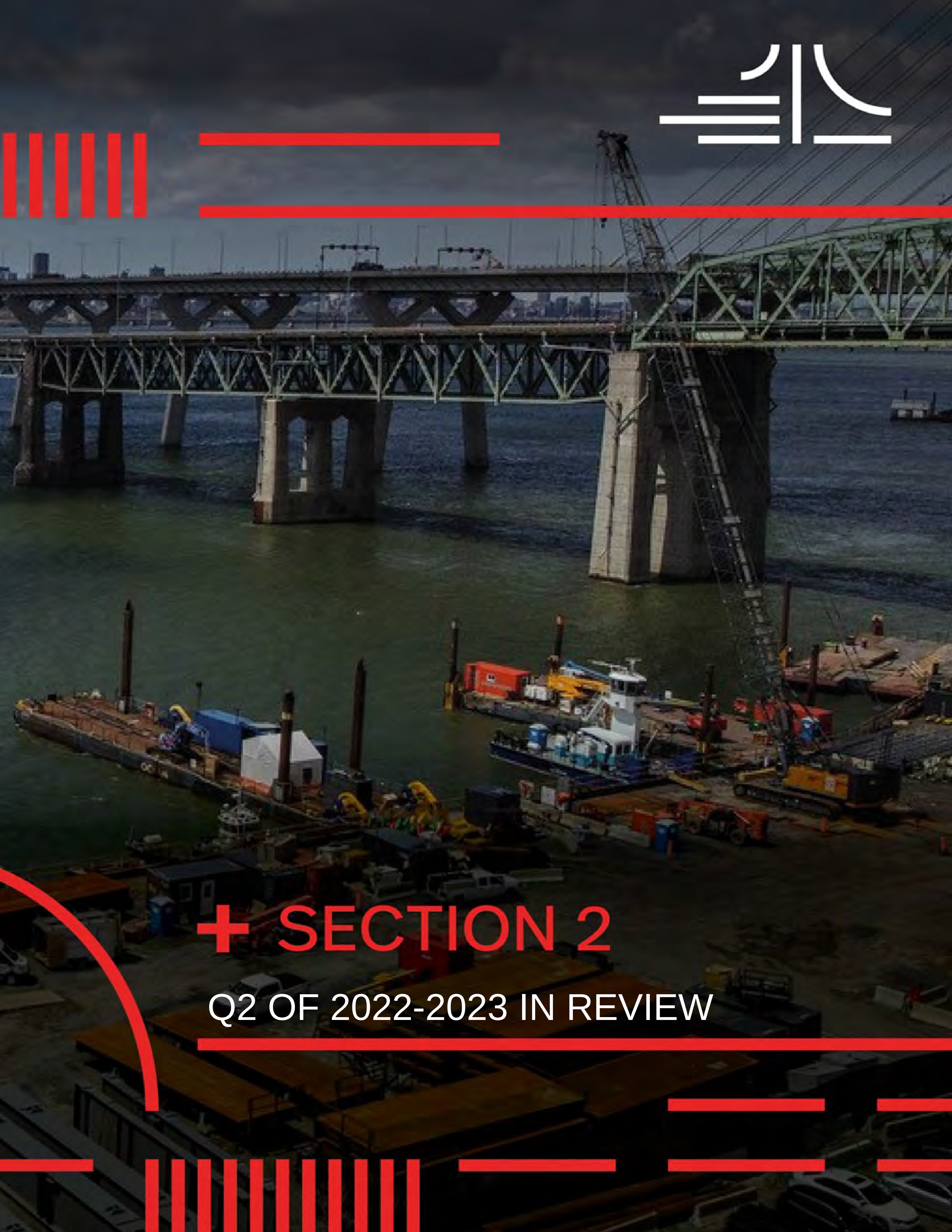
Ensure user mobility, safety, and infrastructure longevity using a systemic management approach based on sustainable development.

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 2022-2023 IN REVIEW

2. Q2 OF 2022-2023 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, 2022 (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 surplus of $2.0 M for the six months ended September 30, 2022 ($10.7 M surplus as at September 30, 2021). The deficit before public funding is $122.3 M as at September 30, 2022 ($115.9 M as at September 30, 2021). This increase is mainly due to the deconstruction of the original Champlain Bridge.

During the second quarter, financial assets increased by $18.9 M. This change is related to the level of achievement of investment activities.

The acquisitions of gross capital assets for the period totalled $16.5 M ($25.5 M as at September 30, 2021). They mainly consist of investments at the Jacques Cartier Bridge.

Liabilities increased by $18.3 M to total $137.7 M as at September 30, 2022 ($119.4 M as at March 31, 2022). This increase is mainly due to the increase in accounts payable.

Net debt decreased by $0.6 M to total $33.5 M as at September 30, 2022 ($34.1 M as at March 31, 2022), remaining relatively stable.

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 new Samuel De Champlain Bridge corridor, 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. Funding for this project remains to be confirmed.

Through its involvement in this project, JCCBI is proud to contribute to the achievement of various targets of the federal government's 2019-2022 Federal Sustainable Development Strategy (FSDS). The 2022-2026 FSDS is currently under development and, based on the timeline of the various instances, it is expected to be released in the fall of 2022. JCCBI will contribute to several goals of this new strategy.

The funding approved by the government until 2022-2023 provides the means to maintain infrastructures that play a vital role for Canadians by supporting mobility, economic development, and access to nature. JCCBI is in the process of preparing its funding request for the 2023-2028 cycle.

2.3 IMPORTANT CHANGES

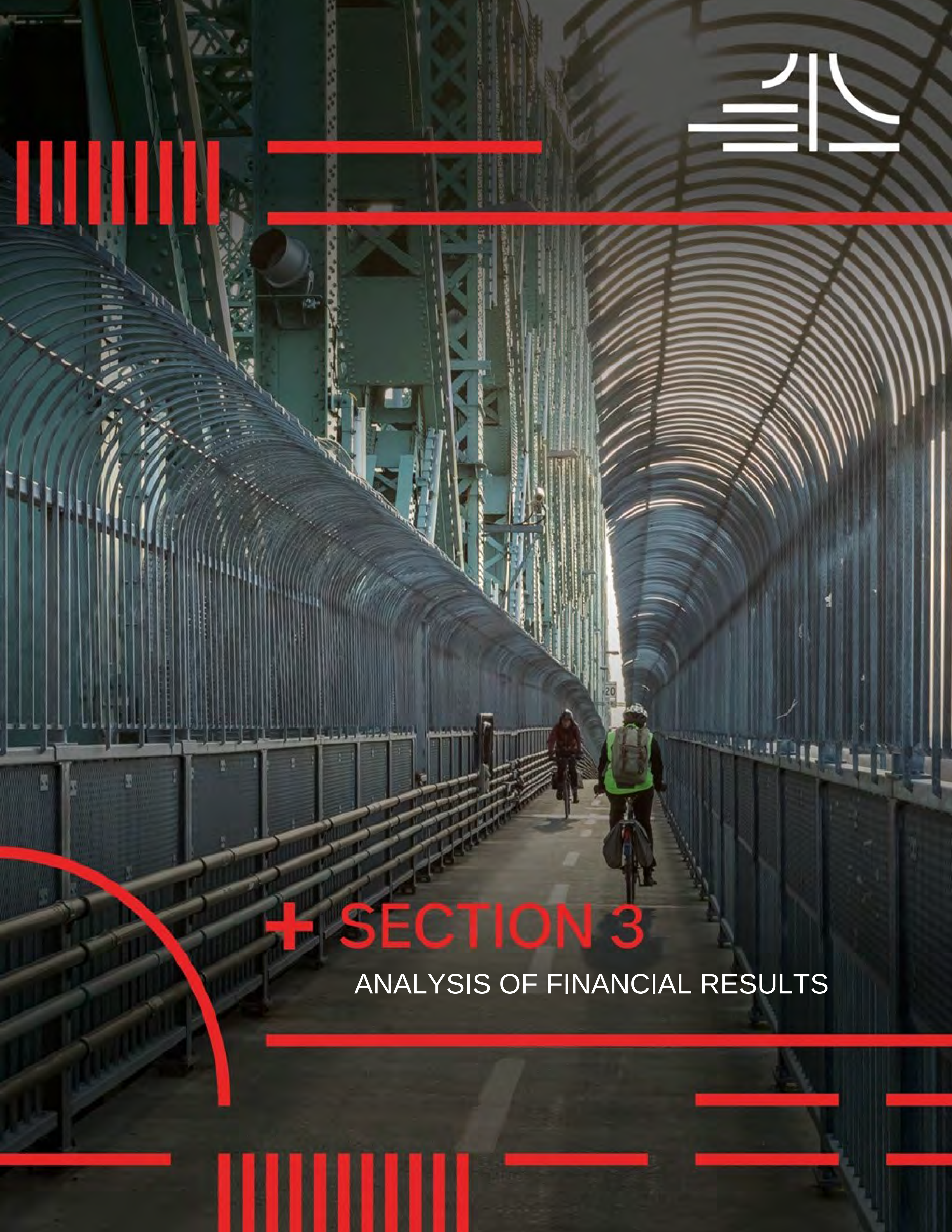
On September 22, 2022, the Honourable Dominic LeBlanc, Minister of Intergovernmental Affairs, Infrastructure and Communities, announced the reappointment of Ms. Catherine Lavoie as Chair of the Board of Directors of the Corporation for a four-year term beginning December 18, 2022. Ms. Lavoie has served on JCCBI's Board of Directors since June 22, 2017 and was appointed Chair of the Board on December 18, 2020.

The ministère des Transports du Québec (MTQ) announced major work at the Louis-Hippolyte La Fontaine (LHL) Tunnel for several years now. During this period, JCCBI has planned and carried out major rehabilitation work at the Jacques Cartier Bridge that required major closures (either partial or complete) of its traffic lanes, so as not to conflict with the rehabilitation work at the LHL Tunnel during critical periods.

The announcement made by the MTQ in August 2022 that one tube out of two in the tunnel would be closed for the next three years has a much greater impact on overall mobility between the South Shore and Montreal than was anticipated, but the preventive work carried out by JCCBI will allow the Jacques Cartier Bridge to be used fully during this period of increased traffic.

Operationally, the use of the centre lane (third lane) of the Jacques Cartier Bridge, either towards Montreal or towards the South Shore, will be modulated according to needs. This unique lane management offers great flexibility and makes it possible to mitigate the congestion impacts caused by the migration of part of the traffic from the LHL Tunnel.

Discussions with its partners, presence in the field and data from its traffic management systems will allow the Corporation to better target its interventions and thus maximize the flow of vehicles on the network. Adjustments will be made in real time as needed.



+ 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 months ended September 30, 2022, the total financial assets increased by $18.9 M, to amount to $104.2 M, compared to $85.3 M as at March 31, 2022. A determining factor in the variation in financial assets is the date on which the parliamentary appropriations, which include the funding for the capital projects and the operating expenses, are received.

Liabilities

Accounts payable and accrued liabilities increased by $19.5 M, from $83.1 M as at March 31, 2022 to $102.6 M as at September 30, 2022. 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 total $10.2 M as at September 30, 2022 ($10.4 M as at March 31, 2022), a decrease of $0.2 M compared to the balance in the previous fiscal year. These amounts will become payable when the work is completed and the warranties have expired.

Non-Financial Assets

Non-financial assets total $674.7 M as at September 30, 2022, an increase of $1.4 M compared to March 31, 2022 ($673.3 M). This increase is mainly attributable to tangible capital assets net of amortization, which increased by $1.2 M to total $663.0 M compared to $661.8 M as at March 31, 2022. This total includes gross capital investments of $16.5 M, less amortization expenses of $15.3 M. The major works concerned by these acquisitions are mainly those carried out at the Jacques Cartier Bridge.

Government Funding

The following table summarizes the public funding for the second quarter of the current fiscal year as at September 30, 2022:

(In thousands of dollars)	Second Quarter		Cumulative (Six Months)	
	2022-2023	2021-2022	2022-2023	2021-2022
Public funding for operating expenses	46,023	52,709	107,797	99,492
Public funding for tangible capital assets	11,678	11,836	16,523	27,113
TOTAL	**57,701**	**64,545**	**124,320**	**126,605**

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

3.1.2 Expenses

Maintenance and Deconstruction

Maintenance and deconstruction expenses during the second quarter represent 90.6% (89.6% as at September 30, 2021) of total cumulative expenses.

For the six months ended September 30, 2022, the maintenance and deconstruction expenses, including amortization, totalled $114.8 M and are primarily broken down as follows:

- $61.0 M in work for the deconstruction of the original Champlain Bridge;
- $16.9 M in work for the Honoré Mercier Bridge;
- $16.5 M in work for the Jacques Cartier Bridge;
- $2.8 M in work for the Bonaventure Expressway;
- $2.7 M in work for the Melocheville Tunnel;
- $0.3 M in work for the Île des Sœurs Bypass Bridge;
- $1.4 M in work for the Estacade;
- $7.9 M for salaries and employee benefits;
- $5.3 M for various other projects and equipment.

Operations

Operating expenses for the first six months were $2.0 M ($2.2 M as at September 30, 2021). They represent 1.6% of total expenses (1.9% as at September 30, 2021).

Administration

Administrative expenses for the first six months of the fiscal year total $8.7 M and remained relatively stable compared to the same period of the previous fiscal year ($8.5 M as at September 30, 2021). They represent 6.9% (7.3% as at September 30, 2021) of total expenses combined with capital asset acquisitions. This rate varies, notably in relation to the major maintenance expenditures.

3.2 CASH FLOW

JCCBI's cash position increased by $14.5 M as at September 30, 2022 to total $75.1 M ($60.6 M as at March 31, 2022) and is closely linked to the payments of the Government of Canada's parliamentary appropriations. As at September 30, 2022, the net amount receivable from government departments and agencies amounted to $28.1 M ($23.9 M as at March 31, 2022).

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 while ensuring the sustainability and safety of the structures under its responsibility. The ageing of the assets and the adequate funding required for both the maintenance and rehabilitation thereof 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.

Aware of the importance of the structures it manages, the Corporation pursues its intentions to position itself as a leader in infrastructure management by maximizing the service life of its assets and through an asset management approach inspired by the best practices in the field and modelled on the ISO 55000 standard. To this effect, a comparative positioning analysis was carried out on asset management. Based on the results of this analysis, JCCBI is in the process of developing a strategic plan for asset management.

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 2022-2023. 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 both a global vision of the Greater Montreal cycling network, and sustainable development. The detailed preliminary project study on the three selected alternatives continues.
+ The detailed preliminary project report for the renovation of the Île Sainte-Hélène pavilion has been completed and the production of the plans and specifications should begin shortly. The project consists of upgrading the building according to sustainability and safety criteria to extend its service life by more than 75 years;
+ A preliminary project study that began in the first quarter of 2022-2023 for the demolition of the Plaza building and the reconfiguration of the adjacent lands is ongoing. The project schedule is coordinated with the completion of the construction and commissioning of the new Operations and Maintenance division's building, including the transfer of the telecommunications infrastructure from the original building.

Original Champlain Bridge

During the second quarter of 2022-2023, the contractor Nouvel Horizon Saint-Laurent G.P. (NHSL) continued its work in the maritime section of the bridge while increasing its activities in the central section (steel structure) as well as in the section located on the South Shore

In the maritime section, the second catamaran barge continued its activities as part of the deconstruction of the piers. During the second quarter, five piers were demolished. A third catamaran barge is assigned to the deconstruction of the submerged portion of the piers and footings thereof. During the second quarter, six footings were deconstructed by NHSL.

As for the central section of the bridge (steel structure), work could resume in the St. Lawrence Seaway sector. The deconstruction of the anchor span on the east side therefore continued with the removal of the steel components. The approach spans were removed using cranes that were mobilized on jetties.

On the South Shore, the contractor removed the last of the bridge's trusses, including those located over Route 132. This work was carried out over three weekends and required the partial or complete closure of Route 132 and access thereto. The deconstruction of the spans over Route 132 is scheduled for November 2022.

In 2019, JCCBI began a consultation process with certain partners and 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 2022-2023, JCCBI continued to pursue agreements with various partners.

With respect to the Héritage Champlain project for the redevelopment of the shoreline, the summary preliminary project study was issued in the second quarter of 2022-2023. The preliminary project studies are continuing with the objective of starting work in 2024-2025, following the deconstruction of the Champlain Bridge.

Finally, the planting of some 30,000 plants at the St-Ignace-de-Loyola compensation site, with the objective of recreating the natural fish habitat during high water, was completed during this second quarter

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. The summary preliminary project study report was issued during this second quarter and confirmed these results. The detailed preliminary project report will be issued in the fourth quarter of 2022-2023.

Bonaventure Expressway

The detailed preliminary project studies for the reconstruction of sections 11 and 12 of the expressway into an urban boulevard are continuing and are expected to be completed in the third quarter of 2022-2023. Subject to funding approval, the project is scheduled to be launched in the third quarter of 2022-2023. Work is scheduled to begin in 2024 with the stabilization of the banks and continue through 2029. The coordination of the environmental component with the various stakeholders is underway considering, among others, that the bank stabilization work will potentially require interventions in the St. Lawrence River.

Preliminary project studies for the maintenance of the Clément Bridge and other JCCBI infrastructures on Île des Sœurs are underway. Said studies will be completed in the third quarter of 2022-2023. The project is scheduled to be launched in the third quarter of 2022-2023 with work scheduled to start in 2024-2025.

No maintenance work is planned for 2022-2023 on the elevated section of the Bonaventure Expressway. However, preliminary project studies were initiated in the second quarter of 2022-2023. Work related to this project is planned for 2024-2025.

Île des Sœurs Bypass Bridge

The preparation of the drawings and specifications for the deconstruction of the Île des Sœurs Bypass Bridge is underway. The call for tenders is scheduled to be issued in the third quarter of 2022-2023. Deconstruction is scheduled to begin in the first quarter of 2023-2024 and be completed in the first quarter of 2024-2025.

Honoré Mercier Bridge

The major rehabilitation program to repair the piers and replace the paint coating continued as planned. The two contracts recently awarded have allowed the contractor to mobilize on new components of the bridge and begin work that will extend through 2024-2025.

The detailed preliminary project study for the widening of the multifunctional path located on the bridge is underway. A report will be issued in the third quarter of 2022-2023. With respect to the development of a memorial circuit, which is the subject of ongoing discussions with the Mohawk Community of Kahnawà:ke, the schedule for the completion of the preliminary project study is to be confirmed. Coordination is underway with the Mohawk Council of Kahnawà:ke (MCK) to confirm the scope of the project and to ensure the social acceptability of the new layouts and the connection of the bridge’s multifunctional path to the municipal network. A consultation of the community is an important step in the social acceptability of these projects.

Melocheville Tunnel

The summary preliminary project study for the replacement of the P-113 Bridge and various upgrades to the Melocheville tunnel is underway. The P-113 Bridge is located on the west approach to the tunnel and crosses Le Petit Canal stream. It is in need of replacement, having reached the end of its service life and due to existing hydraulic conditions. The preliminary project studies will be completed in the first quarter of 2023-2024.

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 goals, the following initiatives continued in the second quarter of 2022-2023:

+ The characterizations of JCCBI's lands are still underway. They will make it possible to determine 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 associated 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;
+ Rigorous monitoring of environmental management as part of the deconstruction of the original Champlain Bridge continues. The main compensation project, which consists of creating a wetland favoring fish spawning in Saint-Ignace-de-Loyola, has been underway since September 2022. Other contributing projects will be carried out following the deconstruction of the bridge.
+ In response to the new 2022-2026 Federal Sustainable Development Strategy, JCCBI has identified the following six Sustainable Development Goals (SDGs), which will form the pillars of its sustainable development strategy:
   - 9 - Innovation and investment in green infrastructure;
   - 10 - Supporting First Nations economic development through stakeholder management (mandatory SDG);
   - 11 - Invest in public transit and active transportation, and promote access to green spaces and cultural and natural heritage;
   - 12 - Managing contaminated sites (mandatory SDG);
   - 13 - Implement measures to address climate change (carbon neutrality by 2050) (mandatory SDG);
   - 15 - Better understand lands and forests and put forward biodiversity conservation measures.
+ JCCBI is continuing the process of developing and implementing a decentralized Environmental Management System (EMS). An assessment of the efforts required for its implementation was recently carried out with each of the divisions.

3.3.4 Occupational Health and Safety (OHS)

All the efforts in prevention, training and awareness were rewarded recently as the Corporation celebrated two injury-free years (disabling injury and minor injury). Prevention efforts continued with the distribution of a new tool to employees, the Occupational Health and Safety Management Program (OHSMP) in short form. This paper document in pocket format makes good OHS practices easily accessible, even during field activities. The next step in the OHS action plan is to conduct an audit of the Corporation's OHS culture maturity, which is currently underway and should provide the necessary guidance to pursue JCCBI's goal of "Zero Injury by Choice".

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 only marginally. JCCBI must optimize the maintenance and rehabilitation of ageing infrastructures in order to maximize their service life 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 at the end of fiscal year 2022-2023, has an impact on JCCBI's ability to forecast and award medium and long-term contracts. The approval of a new funding cycle is critical to mitigating the risks associated with the degradation of bridges and structures, and thus ensure efficient asset management.

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 and updated during the preparation of the new funding cycle) 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.

In order to retain its employees, JCCBI ensures professional development and succession planning by putting their talents to work.

During fiscal year 2021-2022, the Corporation carried out a review of its activities and the evolution of its associated workforce plan, based on its current mandate and the various investment scenarios. JCCBI has also initiated the development of its Employer brand. An analysis was completed to define the distinctive elements of JCCBI that reflect the employee experience in the organization. This project will be carried out during fiscal year 2022-2023.

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

As the collective agreements were renewed until December 31, 2025, JCCBI began the pay equity process in response to the coming into force, in August 2021, of the *Pay Equity Act*. A single program will be implemented for all employees. The exercise will be carried out by a joint committee formed for this purpose. Work will start in the third quarter of 2022-2023.

The withdrawal of the health measures related to the COVID-19 pandemic allowed employees to return to the office, in hybrid mode, in the context of the new reality. A working group was formed in the second quarter following an employee survey. Its mandate is to propose possible solutions and concrete actions to improve and enhance the hybrid work experience (3 days/week in the office) based on the concerns and comments of employees.

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 Employer of Choice in 2024.

3.3.7 Information Resources (IR)

In order to manage and minimize its IT risks, JCCBI has implemented a business continuity strategy, which will be tested and reviewed on an annual basis by the Business Continuity Committee. The IR division has updated the continuity matrix and will, together with the Procurement division, test the critical procurement business function in the third quarter of fiscal year 2022-2023.

JCCBI's strategy for improving the security posture continues as part of the Information Technology and Systems Improvement Program. This program comprises several initiatives and, by the end of the second quarter, 78% of the planned initiatives had been completed. The program will extend through the last quarter of 2022-2023.

In addition, penetration testing, phishing tests and employee awareness activities are carried out on an ongoing basis.

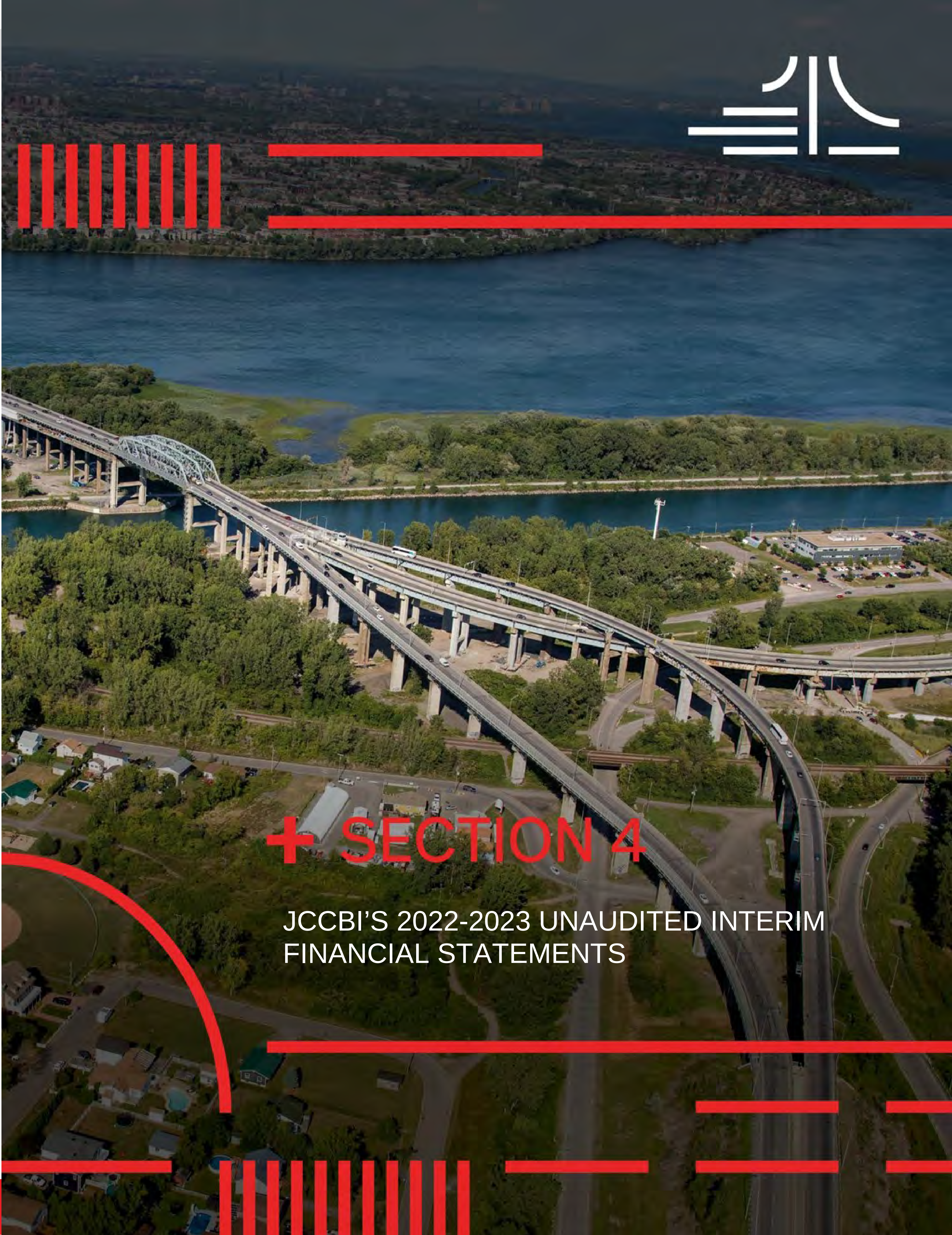
At the same time, the IR division has started drafting a strategic IR plan.

3.4 REPORT ON THE USE OF APPROPRIATIONS

According to planning, the parliamentary appropriations available for the current fiscal year total $280.0 M. Said parliamentary appropriations have been adjusted to $269.9 M for the fiscal year ending March 31, 2023 to reflect a carryover request that was submitted under the FCSAP program and is pending approval.

(In thousands of dollars)	As at September 30, 2022			As at September 30, 2021		
	Operations	Capital	Total	Operations	Capital	Total
Main estimates	155,040	85,171	241,311	262,222	58,056	320,278
Excess funding	38,793	-	38,793	4,732	-	4,732
Available Funding	**194,833**	**85,171**	**280,004**	**266,954**	**58,056**	**325,010**
Carryover and Transfers to other Authorized Custodians	**(10,123)**	-	**(10,123)**			
Adjusted Available Funding	**184,710**	**85,171**	**269,881**			
Parliamentary Appropriations (1)						
+ Used	107,797	16,523	124,320	99,492	27,113	99,492
+ Required	76,913	68,648	145,561	162,730	30,943	162,730
Total Parliamentary Appropriations	**184,710**	**85,171**	**269,881**	**262,222**	**58,056**	**262,222**

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



+ SECTION 4

JCCBI'S 2022-2023 UNAUDITED INTERIM FINANCIAL STATEMENTS

4. JCCBI'S 2022-2023 UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2022, 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 Interim Financial Statements.

4.1 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management of The Jacques Cartier and Champlain Bridges Incorporated ("the Corporation") is responsible for 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 directives 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 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
Sandra Martel, Eng.
Chief Executive Officer

Lucie Painchaud, CPA, CMA
Senior Director, Administration

November 17, 2022

4.2 STATEMENT OF FINANCIAL POSITION

(Unaudited – in thousands of Canadian dollars)

	September 30, 2022	March 31, 2022
	$	$
Financial Assets		
Cash	75,084	60, 561
Accounts receivable (Note 4.6.3)	29,146	24,757
Total Financial Assets	**104,230**	**85,318**
Liabilities		
Accounts payable and accrued liabilities (Note 4.6.4)	102,580	83,100
Employee future benefits	201	403
Contractual holdbacks (Note 4.6.5)	10,213	10,405
Deferred revenue	173	305
Environmental obligations (Note 4.6.6)	24,543	25,211
Total Liabilities	**137,710**	**119,424**
Net Debt	**(33,480)**	**(34,106)**
Non-Financial Assets		
Tangible capital assets (Note 4.6.7)	662,985	661,809
Prepaid expenses	1,343	1,099
Contract advance	10,359	10,359
Total Non-Financial Assets	**674,687**	**673,267**
Accumulated Surplus (note 4.6.8)	**641,207**	**639,161**

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, 2022

(Unaudited – in thousands of Canadian dollars)

	Twelve Months Ended	Six Months Ended			
	March 31, 2023	September 30, 2022		September 30, 2021	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$	$
Revenue					
Leases and permits	590	162	318	141	283
Interest	477	484	716	86	180
Other sources	---	14	3,509	107	113
Total Revenue	**1,067**	**660**	**4,543**	**334**	**576**
Expenses (Note 4.6.11)					
Maintenance and deconstruction	198,032	46,518	114,844	55,714	104,268
Operations	4,732	1,108	2,045	1,086	2,183
Administration	21,959	4,929	8,744	4,018	8,499
Environmental obligations	(2,725)	1,880	1,184	951	1,526
Total Expenses	**221,998**	**54,435**	**126,817**	**61,769**	**116,476**
Deficit before Government of Canada funding	(220,931)	(53,775)	(122,274)	(61,435)	(115,900)
Portion of transfer payments for operating expenses (Note 4.6.12)	156,040	46,023	107,797	52,709	99,492
Portion of transfer payments for tangible capital assets (Note 4.6.12)	85,171	11,678	16,523	11,836	27,113
Annual Operating Surplus	**20,280**	**3,926**	**2,046**	**3,110**	**10,705**
Accumulated Operating Surplus, Beginning of the Year	**658,136**	**---**	**639,161**	**---**	**609,968**
Accumulated Operating Surplus, End of the Year	**678,416**	**---**	**641,207**	**---**	**620,673**

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, 2022

(Unaudited – in thousands of Canadian dollars)

	Twelve Months Ended	Six Months Ended		Six Months Ended	
	March 31, 2023	September 30, 2022		September 30, 2021	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$	$
Annual Operating Surplus	**20,280**	**3,926**	**2,046**	**3,110**	**10,705**
Acquisition of tangible capital assets (Note 4.6.7)	(43,685)	(11,678)	(16,524)	(11,836)	(27,112)
Amortization of tangible capital assets (Note 4.6.7)	26,130	6,972	15,348	8,316	16,626
Gain on disposal of tangible capital assets	---			(1)	(7)
Proceeds from disposal of tangible capital assets	---			1	7
Total Variation Due to Tangible Capital Assets	**(17,555)**	**(4,706)**	**(1,176)**	**(3,520)**	**(10,486)**
Addition of prepaid expenses	---	(425)	(1,198)	(953)	(1,566)
Use of prepaid expenses	---	477	954	808	1,366
Total Variation Due to Prepaid Expenses	**---**	**52**	**(244)**	**(145)**	**(200)**
Decrease (Increase) in Net Debt	**2,725**	**(728)**	**626**	**(555)**	**19**
Net Debt, Beginning of the Year	**(36,919)**		**(34,106)**	**---**	**(40,286)**
Net Debt, End of the Year	**(34,194)**		**(33,480)**	**---**	**(40,267)**

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, 2022

(Unaudited – in thousands of Canadian dollars)

	Six Months Ended			
	September 30, 2022		September 30, 2021	
	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	$	$	$	$
Operating Transactions				
Annual Operating Surplus	**3,926**	**2,046**	**3,110**	**10,705**
Non-Cash Items				
Amortization of tangible capital assets (Note 4.6.7)	6,972	15,348	8,316	16,626
Loss on disposal of tangible capital assets			---	---
Gain on disposal of tangible capital assets	0		(1)	(7)
Changes in environmental obligations	(947)	(1,707)	952	1,409
Changes in Other Items				
(Increase) decrease in accounts receivable	16,556	(4,389)	2,583	(15,776)
Increase in accounts payable and accrued liabilities	4,528	12,089	1,875	11,572
Decrease in employee future benefits	(43)	(202)	(41)	(68)
(Increase) decrease in contractual holdbacks	(859)	(192)	2,095	2,648
Decrease in deferred revenue	(97)	(132)	(99)	(151)
(Increase) decrease in prepaid expenses	52	(244)	(146)	(200)
(Increase) decrease in environmental obligations	1,772	1,039	(502)	(1,559)
Cash Flow Provided by Operating Transactions	**31,860**	**23,656**	**18,142**	**25,199**
Tangible Capital Asset Investment Activities				
Proceeds from disposal of tangible capital assets	-	-	1	7
Cash used to acquire tangible capital assets	(4,332)	(9,133)	(13,111)	(25,527)
Cash Flow used for Tangible Capital Asset Investment Activities	**(4,332)**	**(9,133)**	**(13,110)**	**(25,520)**
(Decrease) increase in Cash	**27,528**	**14,523**	**5,032**	**(321)**
Cash, Beginning of the Year		**60,561**	**---**	**48,836**
Cash, End of the Year		**75,084**	**---**	**48,515**

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 the Queen in Right of Canada. After this transfer, the Corporation became a parent Crown corporation listed under Part I of 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 or other governments 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, roads and promenades: between 7 and 48 years;
+ buildings: 40 years;
+ vehicles and equipment: between 5 and 15 years;
+ other:
    - furniture: 10 years;
    - leasehold improvements: the lesser of the useful life or the term of the lease;
    - computer hardware: 3 years.

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

Revenue Recognition

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.

Asset Retirement Obligations

The Public Sector Accounting Board (PSAB) has published “PS 3280 – Asset Retirement Obligations” standard, which applies to fiscal years beginning on or after April 1, 2022. This standard specifies how to recognize and report a liability for an asset retirement obligation. The Corporation is currently evaluating the impact of the adoption of said standard on its Financial Statements.

Budgetary Data

Budgetary data included in the Interim 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:

(In thousands of Canadian dollars)	September 30, 2022	March 31, 2022
	$	$
Due from the Government of Canada	25,701	21,717
Taxes receivable	2,435	2,136
Re-invoicing of work to business partners	957	613
Other accounts receivable	53	291
Total Accounts Receivable	**29,146**	**24,757**

4.6.4 Accounts Payable and Accrued Liabilities

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

(In thousands of Canadian dollars)	September 30, 2022	March 31, 2022
	$	$
Suppliers and accrued liabilities	101,490	80,715
Salaries and employee benefits	1,090	2,385
Total Accounts Payable and Accrued Liabilities	**102,580**	**83,100**

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 (18 as at March 31, 2022) that may be contaminated and require assessment, remediation or a risk management strategy and monitoring. Among these 18 sites, four (4) were assessed (four (4) as at March 31, 2022) and for three (3) of them, remediation measures or risk management strategies are in place or planned for which a liability of $24,543 K ($25,211 K as at March 31, 2022) was recognized. The remediation was completed for one (1) site and the related liability was fully extinguished.

No liability has been recognized for the other 14 sites (14 as at March 31, 2022). 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 (3) 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 3.25% to 3.49% (as at March 31, 2022 – 1.88% to 2.47%);
- the inflation rate of 3.47% (as at March 31, 2022 – 3.47%) is based on the non-residential building construction price index.

(In thousands of Canadian dollars)	**September 30, 2022 ($)**		**March 31, 2022 ($)**	
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)	21,221	**16,262**	20,976	**17,175**
Bonaventure Expressway: West Sector (1)	8,999	**7,041**	8,032	**6,796**
Original Champlain Bridge (2)	1,240	**1,240**	1,240	**1,240**
Total	31,460	**24,543**	30,248	**25,211**

(1) East and West Sectors of the Bonaventure Expressway

As at September 30, 2022, 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 (2) 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) <u>Lands under the Original Champlain Bridge</u>

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 Thousands of Canadian Dollars)

	Lands	Bridges, Roads and Promenades	Buildings	Vehicles and Equipment	Other (Note 1)	Projects in Progress	Total
	$	$	$	$	$	$	$
COST							
April 1, 2021	5,250	852,897	9,348	4,220	3,091	28,687	903,493
Acquisitions	-	29,347	10,989	693	357	16,252	57,638
Disposals	-	(334)	-	(381)	-	-	(715)
Decommissioning	-	(65,894)	-	-	-	-	(65,894)
Transfers	-	13,446	10,301	-	-	(23,747)	-
March 31, 2022	**5,250**	**829,462**	**30,638**	**4,532**	**3,448**	**21,192**	**894,522**
Acquisitions	-	(1,756)	2,206	2,621	1,248	12,205	16,524
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
September 30, 2022	**5,250**	**827,706**	**32,844**	**7,153**	**4,696**	**33,397**	**911,046**
ACCUMULATED AMORTIZATION							
April 1, 2021	-	260,135	893	1,844	1,944	-	264,816
Amortization	-	33,144	452	289	621	-	34,506
Disposals	-	(66,228)	-	(381)	-	-	(66,609)
March 31, 2022	**-**	**227,051**	**1,345**	**1,752**	**2,565**	**-**	**232,713**
Amortization	-	14,554	372	145	277	-	15,348
Disposals	-	-	-	-	-	-	-
September 30, 2022	**-**	**241,605**	**1,717**	**1,897**	**2,842**	**-**	**248,061**
NET BOOK VALUE							
March 31, 2022	**5,250**	**602,411**	**29,293**	**2,780**	**883**	**21,192**	**661,809**
September 30, 2022	**5,250**	**586,101**	**31,127**	**5,256**	**1,854**	**33,397**	**662,985**

Note 1: The “Other” category is mainly composed of furniture and leasehold improvements.

As at September 30, 2022, “Accounts Payable and Accrued Liabilities” includes acquisitions related to tangible capital assets of $17,191 K ($9,800 K as at March 31, 2022).

Certain data from the previous fiscal year relating to the “Bridges, Roads and Promenades” and “Vehicles and Equipment” categories have been reclassified to the new “Buildings” and “Other” categories to conform to the current fiscal year’s classification.

4.6.8 Share Capital

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

4.6.9 Contingencies

Legal Proceedings and Claims

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

As at September 30, 2022, there is a contingent asset that is the subject of a legal action initiated by the Corporation against a contractor and certain consultants, for which the estimated amount cannot be determined. No contingent asset is recognized in the Interim Financial Statements.

Other Contingencies

a) The Corporation has signed agreements to install, maintain and use cables or conduits 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, 2022, 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, with the exception of the water lot in the channel on which the Île des Sœurs Bypass Bridge is constructed. The bridge deconstruction work is scheduled to begin in the fiscal year 2023-2024 but has not yet been initiated. Therefore, no liability has been recognized for these capital assets.

4.6.10 Related Party Transactions

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

4.6.11 Expenses by Type

(In thousands of Canadian dollars)	September 30, 2022	September 30, 2021
	$	$
Regular and major maintenance	25,254	34,166
Deconstruction – original Champlain Bridge	61,056	41,960
Environmental obligations	1,184	1,526
Amortization of tangible capital assets	15,348	16,626
Salaries and employee benefits	11,732	11,457
Professional services	9,248	7,814
Goods and services	2,995	2,927
Total Expenses	**126,817**	**116,476**

4.6.12 Parliamentary Appropriations

(In thousands of Canadian dollars)	September 30, 2022	September 30, 2021
	$	$
Parliamentary appropriations requested	101,627	129,403
Use of the working capital	30,000	
Long-term contractual holdbacks	(7,307)	(2,798)
Total Parliamentary Appropriations Recognized as Revenue	**124,320**	**126,605**
Distribution		
Portion of transfer payments for operating expenses	107,797	99,492
Portion of transfer payments for tangible capital assets	16,523	27,113
Total Parliamentary Appropriations Recognized as Revenue	**124,320**	**126,605**


Join the conversation
JacquesCartierChamplain.ca
Twitter | LinkedIn | Facebook | YouTube