

Ponts
JACQUES CARTIER +
CHAMPLAIN
Bridges
Canada

QUARTERLY FINANCIAL REPORT

3rd QUARTER (Q3)
For the nine months ended December 31, 2022

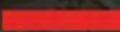
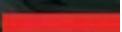
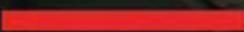
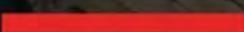
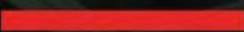
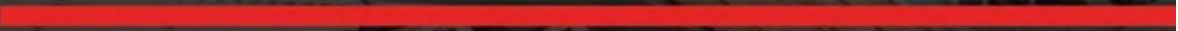
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+ SECTION 1

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).

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 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.

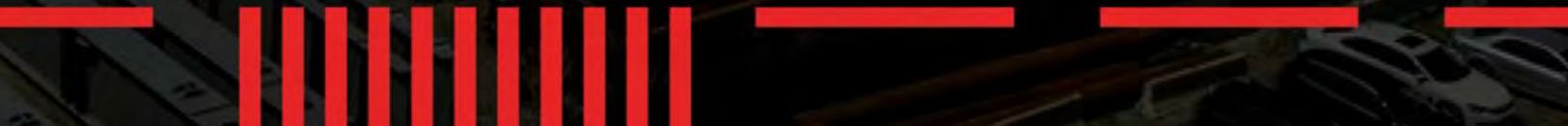
Our Values

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



+ SECTION 2

Q3 OF 2022-2023 IN REVIEW



2. Q3 OF 2022-2023 IN REVIEW

This quarterly financial report was 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 December 31, 2022 (Q3). It must be read in conjunction with the unaudited Interim Financial Statements and accompanying notes contained in this document, as well as with the audited Annual Financial Statements and supporting notes contained in JCCBI's annual report.

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

2.1 SUMMARY

JCCBI declares a deficit of \$3.2M for the nine months ended December 31, 2022 (\$11.4M surplus as at December 31, 2021). The deficit before public funding is \$152.7M as at December 31, 2022 (\$174.4M as at December 31, 2021). This \$21.7M decrease is mainly due to regular and major maintenance work (\$9.3M) and to the deconstruction of the original Champlain Bridge (\$5.4M).

Net debt is relatively stable at \$33.1M as at December 31, 2022 (\$34.1M as at March 31, 2022). It is linked to the decrease of \$35.0M in financial assets, which total \$50.3M (\$85.3M as at March 31, 2022), and to the decrease of \$36.0M in liabilities, which total \$83.4M as at December 31, 2022 (\$119.4M as at March 31, 2022).

The acquisitions of gross capital assets for the period totalled \$16.9M (\$25.5M as at December 31, 2021). They mainly consist of investments at the Jacques Cartier Bridge and at the Honoré Mercier Bridge.

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, which was developed in collaboration with the City of Montreal and certain stakeholders, is now completed. It should be noted that 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 2022 to 2026 Federal Sustainable Development Strategy (FSDS) tabled by Environment and Climate Change Canada in November 2022.



2.3 IMPORTANT CHANGES

During the quarter, the Corporation submitted its funding request for the 2023-2028 cycle. This funding request highlights JCCBI's financial requirements for the planned regular and major maintenance work, so as to ensure users' mobility, safety and infrastructure longevity. A decision is expected in the 2023 federal budget announcement.

On November 30, 2022, JCCBI held its annual public meeting, during which it presented its mission as well as a portrait of the investments in the infrastructures under its management, including a report on its activities and the results of fiscal year 2021-2022.

On December 16, 2022, the Honourable Dominic LeBlanc, Minister of Intergovernmental Affairs, Infrastructure and Communities, announced the reappointment of M^e Sylvain Villiard and Mr. Richard Cacchione as directors of the Board of Directors of the Corporation for a period of three years. M^e Villiard and Mr. Cacchione were respectively appointed to the Board of Directors on June 15, 2017, and June 21, 2018.

With the start of the major work at the Louis-Hippolyte La Fontaine tunnel, adjustments to the operation of the central lane of the Jacques Cartier Bridge have made it possible to mitigate the impacts of the change in user habits. During rush hour, the movement of users towards the Jacques Cartier Bridge was absorbed by using the central lane over a longer period. For the third quarter, the usual periods of congestion were therefore limited by these measures. Since the winter season is less busy than the summer season, the Jacques Cartier Bridge lanes were able to meet the vehicular demand in both directions, despite a sustained demand during the afternoon rush hour.

On-going discussions with partners, field presence and data from the traffic management systems allow the Corporation to better target its interventions and thus maximize traffic flow on the network. Adjustments are 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 nine months ended December 31, 2022, the total financial assets decreased by \$35.0M, to amount to \$50.3M, compared to \$85.3M as at March 31, 2022. The decrease is mainly due to the reduction in the cash position related to the payment of accounts payable and accrued liabilities.

Liabilities

Accounts payable and accrued liabilities decreased by \$34.9M, from \$83.1M as at March 31, 2022 to \$48.2M as at December 31, 2022. This decrease is largely attributable to payment milestones that were met for various ongoing construction projects, including the deconstruction of the original Champlain Bridge

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 \$10.3M as at December 31, 2022, a balance comparable to that of the previous fiscal year (\$10.4M as at March 31, 2022). These amounts will become payable when the work is completed and the warranties have expired.

Non-Financial Assets

Non-financial assets total \$669.1M as at December 31, 2022, a decrease of \$4.2M compared to March 31, 2022 (\$673.3M). This decrease is mainly attributable to tangible capital assets net of amortization, which decreased by \$4.2M to total \$657.6M compared to \$661.8M as at March 31, 2022. This total includes gross capital investments of \$16.9M, less amortization expenses of \$21.1M. The major works covered by these acquisitions are mainly those carried out at the Jacques Cartier Bridge and at the Honoré Mercier Bridge.

Government Funding

The following table summarizes the public funding for the third quarter of the current fiscal year as at December 31, 2022:

(In thousands of dollars)	Third Quarter		Cumulative (Nine Months)	
	2022-2023	2021-2022	2022-2023	2021-2022
Public funding for operating expenses	24,841	50,521	132,638	150 012
Public funding for tangible capital assets	369	8,696	16,893	35,809
TOTAL	25,210	59,217	149,531	185,821

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 third quarter represent 90.5% (89.8% as at December 31, 2021) of total cumulative expenses.

For the nine months ended December 31, 2022, the maintenance and deconstruction expenses, including amortization, totalled \$143.0M and are primarily broken down as follows:

- + \$59.0M in work for the deconstruction of the original Champlain Bridge;
- + \$16.7M in work for the Honoré Mercier Bridge;
- + \$33.6M in work for the Jacques Cartier Bridge;
- + \$8.2M in work for the Bonaventure Expressway;
- + \$3.4M in work for the Melocheville Tunnel;
- + \$0.4M in work for the Île des Sœurs Bypass Bridge;
- + \$2.1M in work for the Estacade;
- + \$11.8M for salaries and employee benefits;
- + \$7.8M for various other projects and equipment.

Operations

Operating expenses for the first nine months total \$3.2M (\$3.3M as at December 31, 2021). They represent 2.0% of total expenses (1.9% as at December 31, 2021).

Administration

Administrative expenses for the first nine months of the fiscal year total \$12.7M and remained relatively stable compared to the same period of the previous fiscal year (\$12.9M as at December 31, 2021). They represent 7.3% (6.1% as at December 31, 2021) of total expenses combined with capital asset acquisitions of \$16.9M (\$36.8M as at December 31, 2021). This rate varies according to maintenance and deconstruction expenditures, which have decreased compared to the same period of the previous fiscal year.

3.2 CASH FLOW

JCCBI's cash position decreased by \$23.3M as at December 31, 2022 to a balance of \$37.3M (\$60.6M as at March 31, 2022). The fluctuation is closely linked to the payments of the Government of Canada's parliamentary appropriations as well as payments made during the quarter. As at December 31, 2022, the net amount receivable from government departments and agencies total \$12.1M (\$23.9M 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 under its management, 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. JCCBI is in the process of developing a strategic asset management plan, which is advancing. Based on current planning, both the strategic plan and its action plan are expected by the end of the fourth quarter of 2022-2023.

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:

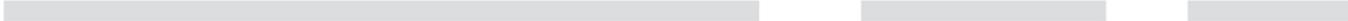
- + The preliminary project study on the increase in the active mobility service offering continued in the third quarter of 2022-2023. The objective of this study is to allow safe passage for cyclists and pedestrians throughout the year, to reduce the risk of accidents and to improve user-friendliness 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.
- + The detailed preliminary project study for the rehabilitation and reinforcement of the steel on several sections of the bridge, as part of the major maintenance program, has begun and will continue until June 2024;
- + The detailed preliminary project study for the rehabilitation of Piers 23 and 26 and of the ground anchors has begun and will continue until June 2024.
- + The Jacques Cartier Bridge is located in a seismic zone and was not designed, at the time of its construction, to withstand the loads generated by a seismic event, since no such standards existed. Following a recent study, a program, which is currently under evaluation, provides for the integration of the seismic rehabilitation concepts into the work planned in the steel and concrete pier programs. Overall, this integration is planned over a period of approximately 25 years.

Original Champlain Bridge

During the third quarter of 2022-2023, the contractor Nouvel Horizon Saint-Laurent G.P. (NHSL) completed its work in the maritime section of the bridge while continuing 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 third quarter, one pier was demolished. A third catamaran barge was assigned to the deconstruction of the submerged portion of the piers and footings thereof. During the third quarter, seven footings were deconstructed by NHSL. Following the work in this sector, the catamaran barges were dismantled and will be demobilized shortly.

As for the central section of the bridge (steel structure), work continued in the St. Lawrence Seaway sector. During this third quarter, three spans and six piers were deconstructed. Temporary supports were also installed in the anchor span on the west side in preparation for its deconstruction in 2023.



On the South Shore, the contractor proceeded with the deconstruction of the spans located above Route 132 and the access ramps, as well as that of the piers and footings supporting said spans. This work was carried out during weekend blitzes, during which the contractor worked 24 hours a day.

In 2019, JCCBI began a consultation process with certain partners and stakeholders to promote the reuse of the materials from the original Champlain Bridge on other projects in the Greater Montreal area. During the third 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 preliminary project studies are continuing with the objective of starting work in 2024-2025, following the deconstruction of the Champlain Bridge.

Estacade

The 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 detailed preliminary project report is expected 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 a 3 lane urban boulevard were completed and the project was launched in the third quarter of 2022-2023, as planned. However, given that funding has not yet been confirmed and to mitigate risks to the project schedule, only a portion of the detailed design activities will be initiated. Subject to confirmation of funding in early 2023, construction will begin in 2024 with the banks stabilization and will continue until 2029. The coordination of the environmental component with the various stakeholders is underway considering, among others, that the bank stabilization work will 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 were completed in the third quarter of 2022-2023, as planned. The launch of this project also took place in the third quarter of 2022-2023 for work scheduled to begin in 2024-2025.

No maintenance work is planned for 2022-2023 on the elevated section of the Bonaventure Expressway. However, preliminary project studies are underway and are expected to be completed in the first quarter of 2023-2024. The project is also scheduled to be launched in the first quarter of 2023-2024, with work scheduled for 2024-2025.

Île des Sœurs Bypass Bridge

The call for tenders for the deconstruction of the Île des Sœurs Bypass Bridge took place in the third quarter of 2022-2023. The Corporation is in the process of evaluating the tenders that were received. 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 already awarded have allowed the contractor to continue the work, which will extend through 2024-2025. A new call for tenders will be issued during the fourth quarter of 2022-2023 for steel and paint work on another section of the structure. Said work is scheduled to begin in the first quarter of 2023-2024 and to be completed in 2024-2025.

The detailed preliminary project study for the widening of the multifunctional path located on the bridge is still underway. A report was 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 First Nation of Kahnawà:ke, the timeline 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 community consultation exercise for the memorial circuit is in preparation and is expected to be completed in the first quarter of 2023-2024.

A second consultation exercise on the active transportation files (connection of the multifunctional path and improvement of the service offering) is to be planned.

Melocheville Tunnel

The 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 third 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, was completed in September 2022. Some 30,000 plants were planted to create this landscape of great ecological value. The second major compensation project, which consists of removing fill in the aquatic environment in the vicinity of the original Champlain Bridge, is currently the subject of a preliminary project studies. Work related to this project is planned for 2025, following the deconstruction of the bridge;
- + In response to the new 2022 to 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 (SDS):
 - 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.

An action plan is under development for each of these SDGs, to which JCCBI can contribute via its 2023 to 2027 SDS. In accordance with the *Federal Sustainable Development Act*, this action plan will be filed by November 2, 2023.

- + The development and implementation of a decentralized Environmental Management System (EMS) is ongoing. The EMS implementation manual is currently in the comment stage by each division.

3.3.4 Occupational Health and Safety (OHS)

The OHS division is working with the Operations and Maintenance division to put together an inventory of the power equipment. Such inventory will make it easier to perform preventive maintenance and ensure the safe use of the equipment. The target of 85% completion of the employee OHS training matrix was achieved for the first time since it was established. The development of basic OHS skills by the employees will serve as the foundation for building a strong OHS culture. In addition, the internal audit report on the maturity of the Corporation's OHS

culture will lead to the production of an action plan for the coming year, always with the aim of pursuing 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 in the 2023-2028 funding request) 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 2022-2023, the Corporation carried out a review of its activities and the evolution of its workforce plan associated therewith, based on its current mandate and the various investment scenarios. JCCBI also continued to develop its Employer brand, which is scheduled to be launched during the fiscal year. An analysis was completed to define the distinctive elements of JCCBI that reflect the employee experience within the organization and a roadmap is being prepared to bring JCCBI's Employer brand to life in the coming years.

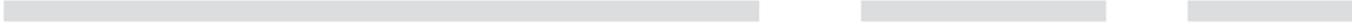
The health and well-being initiative and the equity and diversity initiative are still underway. A multidisciplinary deployment committee is in place to develop and carry out the activities of the 2021-2023 action plans.

With the collective agreements renewed until December 31, 2025, JCCBI has begun its pay equity process further to the coming into force, in August 2021, of the *Pay Equity Act*. The exercise will be carried out by a joint committee formed for this purpose.

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, which was formed following an employee survey, proposed solutions and concrete actions to improve and enhance the work experience in hybrid mode (3 days/week in the office) based on employees' concerns and comments.

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 updated the continuity matrix and, together with the Procurement division, tested the critical procurement business function in the third quarter of 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, at the end of the third quarter, 88% of the planned initiatives had been completed. The program will extend through the last quarter of 2022-2023. A new program for the period 2023-2026 is in development.

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

At the same time, the IR division continued developing a strategic IR plan and, together with the Finance division, presented a pilot project to optimize work methods and tools.



3.4 REPORT ON THE USE OF APPROPRIATIONS

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

(In thousands of dollars)	As at December 31, 2022			As at December 31, 2021		
	Operations	Capital	Total	Operations	Capital	Total
Main estimates	156,040	85,171	241,211	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)	(28,585)	(8,032)	(36,617)
Adjusted Available Funding	184,710	85,171	269,881	238,369	50,024	288,393
Parliamentary Appropriations ⁽¹⁾						
+ Used	132,638	16,893	149,531	150,012	35,809	185,821
+ Required	52,072	68,278	120,350	88,357	14,215	102,572
Total Parliamentary Appropriations	184,710	85,171	269,881	238,369	50,024	288,393

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



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JCCBI'S 2022-2023 UNAUDITED INTERIM
FINANCIAL STATEMENTS

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

For the nine months ended December 31, 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.

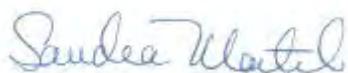
4.1 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

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, Eng.
Chief Executive Officer



Lucie Painchaud, CPA, CMA
Senior Director, Administration

February 15, 2023

4.2 STATEMENT OF FINANCIAL POSITION

(Unaudited – in thousands of Canadian dollars)

	December 31, 2022	March 31, 2022
	\$	\$
Financial Assets		
Cash	37,348	60,561
Accounts receivable (Note 4.6.3)	13,000	24,757
Total Financial Assets	50,348	85,318
Liabilities		
Accounts payable and accrued liabilities (Note 4.6.4)	48,241	83,100
Employee future benefits	244	403
Contractual holdbacks (Note 4.6.5)	10,325	10,405
Deferred revenue	281	305
Environmental obligations (Note 4.6.6)	24,312	25,211
Total Liabilities	83,403	119,424
Net Debt	(33,055)	(34,106)
Non-Financial Assets		
Tangible capital assets (Note 4.6.7)	657,592	661,809
Prepaid expenses	1,106	1,099
Contract advance	10,359	10,359
Total Non-Financial Assets	669,057	673,267
Accumulated Surplus (note 4.6.8)	636,002	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 NINE MONTHS ENDED DECEMBER 31, 2022

(Unaudited – in thousands of Canadian dollars)

	Twelve Months Ended	Nine Months Ended			
	March 31, 2023	December 31, 2022		December 31, 2021	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	\$	\$	\$	\$	\$
Revenue					
Leases and permits	590	166	484	141	424
Interest	477	562	1,278	122	301
Other sources	---	2	3,510	7	121
Total Revenue	1,067	730	5,272	270	846
Expenses (Note 4.6.11)					
Maintenance and deconstruction	198,032	26,257	142,954	53,168	157,437
Operations	4,732	1,135	3,179	1,079	3,262
Administration	21,959	3,984	12,728	4,398	12,897
Environmental obligations	(2,725)	(231)	(899)	125	1,650
Total Expenses	221,998	31,145	157,962	58,770	175,246
Deficit before Government of Canada funding	(220,931)	(30,415)	(152,690)	(58,500)	(174,400)
Portion of transfer payments for operating expenses (Note 4.6.12)	156,040	24,841	132,638	50,521	150,012
Portion of transfer payments for tangible capital assets (Note 4.6.12)	85,171	369	16,893	8,696	35,809
Annual Operating Surplus (Deficit)	20,280	(5,205)	(3,159)	717	11,421
Accumulated Operating Surplus, Beginning of the Year	658,136	---	639,161	---	609,968
Accumulated Operating Surplus, End of the Year	678,416	---	636,002	---	621,389

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

4.4 STATEMENT OF CHANGE IN NET DEBT FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

(Unaudited – in thousands of Canadian dollars)

	Twelve Months Ended	Nine Months Ended		Nine Months Ended	
	March 31, 2023	December 31, 2022		December 31, 2021	
	Budget	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	\$	\$	\$	\$	\$
Annual Operating Surplus (Deficit)	20,280	(5,205)	(3,159)	717	11,421
Acquisition of tangible capital assets (Note 4.6.7)	(43,685)	(5,214)	(16,893)	(8,697)	(35,809)
Amortization of tangible capital assets (Note 4.6.7)	26,130	14,137	21,110	8,657	25,283
Gain on disposal of tangible capital assets	---	---	---	(7)	(15)
Proceeds from disposal of tangible capital assets	---	---	---	7	15
Total Variation Due to Tangible Capital Assets	(17,555)	8,923	4,217	(40)	(10,526)
Addition of prepaid expenses	---	(1,557)	(1,982)	(348)	(1,914)
Use of prepaid expenses	---	1,498	1,975	625	1,991
Total Variation Due to Prepaid Expenses	---	(59)	(7)	277	77
Decrease in Net Debt	2,725	3,659	1,051	954	972
Net Debt, Beginning of the Year	(36,919)	---	(34,106)	---	(40,286)
Net Debt, End of the Year	(34,194)	---	(33,055)	---	(39,314)

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

4.5 STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

(Unaudited – in thousands of Canadian dollars)

	Nine Months Ended			
	December 31, 2022		December 31, 2021	
	Actual Quarter	Actual Cumulative	Actual Quarter	Actual Cumulative
	\$	\$	\$	\$
Operating Transactions				
Annual Operating Surplus (Deficit)	(5,205)	(3,159)	717	11,421
Non-Cash Items				
Amortization of tangible capital assets (Note 4.6.7)	5,902	21,110	8,657	25,283
Loss on disposal of tangible capital assets	---	---	---	---
Gain on disposal of tangible capital assets	---	---	(7)	(15)
Changes in environmental obligations	(3,550)	(2,386)	(341)	1,068
Changes in Other Items				
Decrease (increase) in accounts receivable	7,368	11,757	4,910	(10,866)
(Decrease) increase in accounts payable and accrued liabilities	(57,310)	(38,071)	3,670	15,242
Increase (decrease) in employee future benefits	43	(159)	(16)	(84)
Increase (decrease) in contractual holdbacks	112	(80)	1,399	4,047
Increase (decrease) in deferred revenue	109	(24)	108	(42)
Decrease (increase) in prepaid expenses	237	(7)	277	76
Increase (decrease) in environmental obligations	2,155	1,487	(320)	(1,879)
Cash Flow Provided by Operating Transactions	(50,139)	(9,532)	19,054	44,251
Tangible Capital Asset Investment Activities				
Proceeds from disposal of tangible capital assets	---	---	7	15
Cash used to acquire tangible capital assets	(2,843)	(13,681)	(11,183)	(36,710)
Cash Flow used for Tangible Capital Asset Investment Activities			(11,176)	(36,695)
(Decrease) increase in Cash	(52,982)	(23,213)	7,878	7,556
Cash, Beginning of the Year	---	60,561	---	48,836
Cash, End of the Year	---	37,348	---	56,392

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)

	December 31, 2022	March 31, 2022
	\$	\$
Due from the Government of Canada	8,211	21,717
Taxes receivable	3,882	2,136
Re-invoicing of work to business partners	105	613
Other accounts receivable	802	291
Total Accounts Receivable	13,000	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)

	December 31, 2022	March 31, 2022
	\$	\$
Suppliers and accrued liabilities	46,381	80,715
Salaries and employee benefits	1,860	2,385
Total Accounts Payable and Accrued Liabilities	48,241	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 \$24,312K (\$25,211K 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:

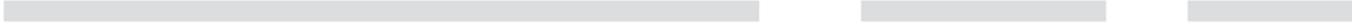
- the discount rates are determined based on the actual zero-coupon yield curve for Government of Canada bond market issued by the Bank of Canada. The discount rate ranges from 3.25% to 4.72% (as at March 31, 2022 – 1.88% to 2.47%);
- the inflation rate of 3.75% (as at March 31, 2022 – 3.47%) is based on the non-residential building construction price index.

<i>(In thousands of Canadian dollars)</i>	December 31, 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⁾	21,007	15,896	20,976	17,175
Bonaventure Expressway: West Sector ⁽¹⁾	9,284	7,176	8,032	6,796
Original Champlain Bridge ⁽²⁾	1,240	1,240	1,240	1,240
Total	31,531	24,312	30,248	25,211

⁽¹⁾ East and West Sectors of the Bonaventure Expressway

As at December 31, 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 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 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 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	-	1,681	1,037	4	46	14,125	16,893
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
December 31, 2022	5,250	831,143	31,675	4,536	3,494	35,317	911,415
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	-	19,935	559	212	404	-	21,110
Disposals	-	-	-	-	-	-	-
December 31, 2022	-	246,986	1,904	1,964	2,969	-	253,823
NET BOOK VALUE							
March 31, 2022	5,250	602,411	29,293	2,780	883	21,192	661,809
December 31, 2022	5,250	584,157	29,771	2,572	525	35,317	657,592

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

As at December 31, 2022, "Accounts Payable and Accrued Liabilities" includes acquisitions related to tangible capital assets of \$13,012K (\$9,800K 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 December 31, 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 December 31, 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

<i>(In thousands of Canadian dollars)</i>	December 31, 2022	December 31, 2021
	\$	\$
Regular and major maintenance	40,383	49,735
Deconstruction – original Champlain Bridge	59,469	64,828
Environmental obligations	1,706	1,650
Amortization of tangible capital assets	21,110	25,283
Salaries and employee benefits	17,702	17,416
Professional services	12,341	11,722
Goods and services	5,251	4,612
Total Expenses	157,962	175,246

4.6.12 Parliamentary Appropriations

<i>(In thousands of Canadian dollars)</i>	December 31, 2022	December 31, 2021
	\$	\$
Parliamentary appropriations requested	126,838	188,619
Use of the working capital	30,000	-
Long-term contractual holdbacks	(7,307)	(2,798)
Total Parliamentary Appropriations Recognized as Revenue	149,531	185,821
Distribution		
Portion of transfer payments for operating expenses	132,638	150,012
Portion of transfer payments for tangible capital assets	16,893	35,809
Total Parliamentary Appropriations Recognized as Revenue	149,531	185,821



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