Annual Report 2021-22

Future Under Construction

Letter from the Chair

Vicki Harnish

While the lingering impact of the pandemic during the fiscal year stalled the return of traffic volumes to pre-COVID levels, it did not slow down efforts to prepare the organization for the significant changes on the horizon.

Read more >

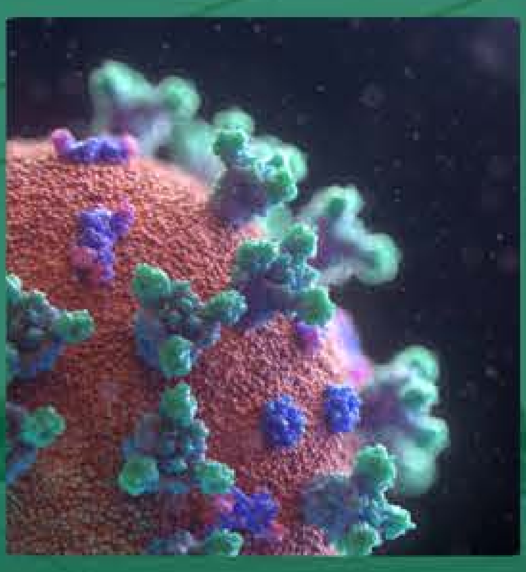
Letter from the CEO

Steve Snider

As I write my final annual report letter, Halifax Harbour Bridges is marking 3.5 years without a single lost-time injury.

That is an extraordinary accomplishment in a business as rugged and complex as ours. It is only possible with the full commitment of staff and management to a safety-first culture.

Read more >



COVID-19 Impact

As the number of COVID cases bounced up and down throughout the year, HHB worked to find the balance between employee safety and customer comfort levels.

Masks, social distancing, and enhanced cleaning remained the norm. New employees were required to provide proof of vaccination as part of the hiring process and employees who could work from home continued to do so.

Learn more >

Goals & Progress

In 2020 Halifax Harbour Bridges approved a five-year strategic plan designed to serve as a roadmap for the organization. As a living document, the plan was revised to better reflect our ensure a shared focus on how the organization achieves it mandate of providing safe, efficient and reliable cross harbour transportation infrastructure.

Learn more >

Responsible Spending

In October 2021, the Nova Scotia Utility and Review Board (NSURB) approved the first HHB toll increase in a decade. It also marked the start of the organization's most aggressive maintenance and capital program since the Big Lift.

Learn more >

Feature Items

In 2021-22, we learned people are still captivated by bridges. From the Big Lift to the Macdonald Bridge, Nova Scotians and those from around the world have shown us these are more than transportation links.

Learn more >

Financials and Statement

Halifax Harbour Bridges (HHB) was created in 1950 by a statute of the Province of Nova Scotia and is a Government Business Enterprise (GBE) as defined by the Public Sector Accounting Board recommendations. As such, HHB prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Learn more >

Board Member Listings

Know the Board >

Halifax Harbour Bridges
P. O. Box 40, 125 Wyse Rd.
Dartmouth, Nova Scotia, B2Y 3Y2
(902) 463-2800
bridges@hdbc.ns.ca

Significant changes on the horizon

Letter from the Chair

Vicki Harnish

While the lingering impact of the pandemic during the fiscal year stalled the return of traffic volumes to pre-COVID levels, it did not slow down efforts to prepare the organization for the significant changes on the horizon.

Among those changes: Our long-serving CEO Steve Snider indicated his intention to retire after 28 years of dedicated service to HHB; in recognition of the importance of diversity and respect within the workplace – as well as in our private lives- the organization initiated several important Equity, Diversity, and Inclusion initiatives; and the Board revisited our five-year strategic plan to make the goals more measurable and the focus more future-oriented.

Approval of 10-Year Plan

As part of planning for the future, HHB developed a long-term plan for capital and maintenance projects, complete with the expected costs to carry out this plan. As it became obvious that the large expenditures required to keep our bridges safe and efficient over the longer term would necessitate increased spending and borrowing, a toll increase was proposed. In October, the Nova Scotia Utility and Review Board (NSURB) approved the first bridge toll hike in a decade.

The increase, which went into effect Jan. 4, 2022, supports a 10-year $285 million maintenance and capital plan. The plan includes items ranging from the painting and restorative steel work on the Macdonald Bridge to the dehumidification of the main cable on the MacKay Bridge. As the fiscal year came to a close, the tender for the first of those major initiatives was in market.

Technology for Safer & Efficient Tolling

HHB is now embarking on two significant projects that will be instrumental in enabling it to continue to meet the future needs of commuters for cross harbour transportation: replacement of our outdated and now vendor unsupported toll system, with a next-generation tolling option; and the rebuilding or replacement of the MacKay Bridge within the next 20 years.

IT & Tolling staff are currently working with a selected partner to develop the backend office systems to support a more modern tolling option, as planning for the physical toll infrastructure and systems takes place.

Preliminary options have been developed for the future of the MacKay Bridge and senior leaders are working with consultants and HHB engineers to refine these options and identify the challenges and opportunities with each. Once this initial work is completed, a comprehensive public engagement plan will be initiated and the long road to a "new" or "renewed" MacKay bridge will start in earnest.

Thank you, Steve

THANK YOU

As we move forward with this exciting agenda, we will welcome a new Chief Executive Officer to HHB. Tony Wright will be joining HHB in early August, at a pivotal time in the operations of HHB. The Board looks forward to working with Tony, while acknowledging that in addition to being exciting, it will also be very busy.

I also want to use this opportunity to thank Steve Snider for his service over the past 28 years. His passion and thoughtful analysis of issues has helped Board members make better decisions and he leaves the organization well-positioned to tackle the challenges we'll encounter as we build the future.

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Taking pride in all we do

Letter from the CEO

Steve Snider

As I write my final annual report letter, Halifax Harbour Bridges is marking 3.5 years without a single lost-time injury.

That is an extraordinary accomplishment in a business as rugged and complex as ours. It is only possible with the full commitment of staff and management to a safety-first culture.

Our commitment to safety is enshrined in our five-year plan, the onboarding of staff, our rigorous training, and the almost daily toolbox talks at the job sites. Our workers are lauded when they point out a particular risk or hazard, and almost every meeting with more than three people begins with "A Safety Moment.'

I am proud that we provide an example that others can follow. Stuart Maclean, CEO of the Nova Scotia Workers Compensation Board, recently said the safety experience at HHB "has helped numerous organizations across the province and across the globe to understand the importance of establishing a vibrant safety culture."

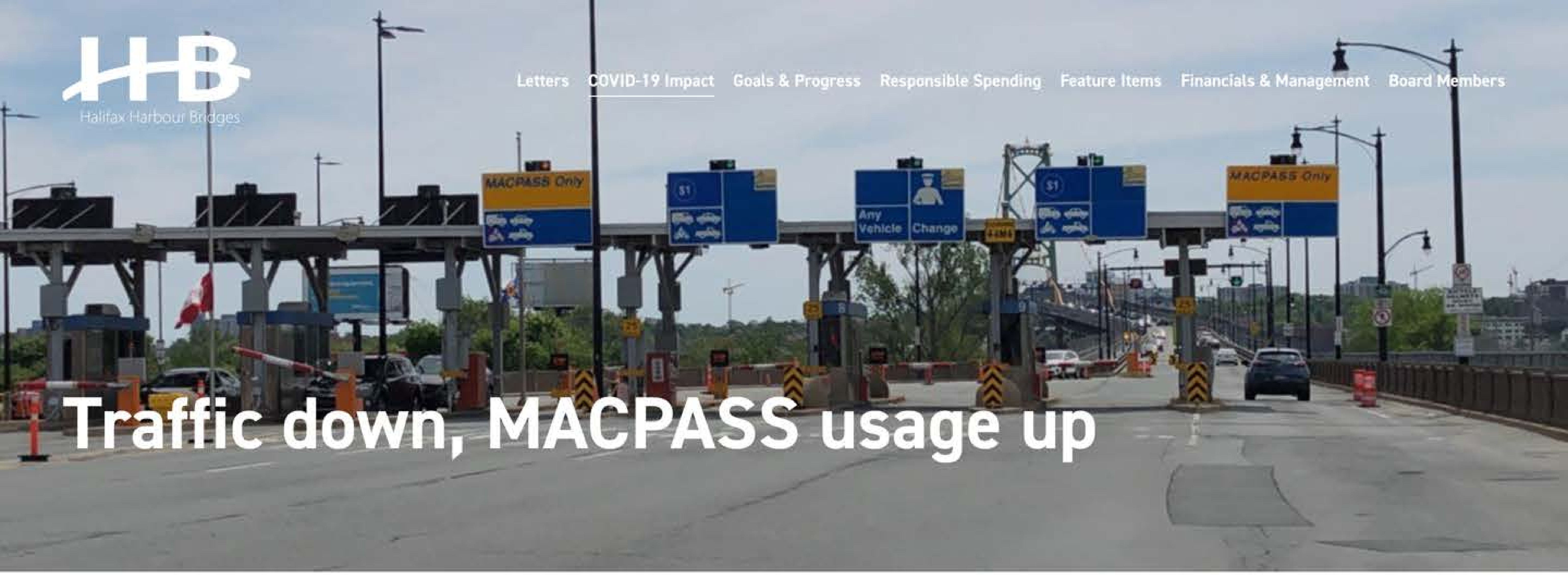
While I had to smile at some of the social media memes about vehicles – even Santa's sleigh – hitting the MacKay toll canopies, it was no laughing matter when the number of incidents began to surpass our usual norms. Installing crash bars across all toll lanes is proving effective at bringing the number of toll plaza crashes back down to normal.

But when will *traffic* return to pre-COVID levels? That truly depends on how the "next normal" unfolds. Will home-based work become the norm for a significant part of the working population? Will higher gas prices drive a greater embrace of active transportation options? The NSURB decision approving our 10-year $285 million capital and maintenance plan goes a long way to setting us up for the future, but as we have learned from the pandemic, it is best to prepare for the unexpected.

As the fiscal year drew to a close, I was humbled to watch our maintenance team unfurl a 20 X 40 foot Ukrainian flag from the Dartmouth tower. It was a tangible signal to our 6,000 Ukrainian Nova Scotians and their families that we stand with them as the horrors of war ravage their homeland. And the idea of flying it came from within our organization.

HHB is full of good people with great ideas. In the past 28 years, I've worked on exciting initiatives ranging from the launch of the MACPASS transponders, the Third Lane project, the Big Lift and more recently the early work on next generation tolling, but what I will remember most is the people.

Incoming CEO Tony Wright has numerous big projects to manage as he takes over the role, but I'm confident if he taps into the innovative spirit of HHB workers, he will have nothing but success and enjoy this leadership role as much as I have.



Traffic down, MACPASS usage up

In November 2021, Saltwire editorial cartoonist Bruce MacKinnon captured the pandemic news of the day in a four-panel drawing depicting a Nova Scotia man looking cautiously left, then right before removing his mask. In the fourth panel, the man is walloped by a left hook labelled "Omicron."

The cartoon told the story of the health of Nova Scotians amid the COVID-19 pandemic. But it was equally applicable to the province's economic recovery efforts, as well as the traffic flowing across the Macdonald and MacKay bridges.

From a traffic perIn November 2021, Saltwire editorial cartoonist Bruce MacKinnon captured the pandemic news of the day in a four-panel drawing depicting a Nova Scotia man looking cautiously left, then right before removing his mask. In the fourth panel, the man is walloped by a left hook labelled "Omicron."

The cartoon told the story of the health of Nova Scotians amid the COVID-19 pandemic. But it was equally applicable to the province's economic recovery efforts, as well as the traffic flowing across the Macdonald and MacKay bridges.

From a traffic perspective, the fiscal year started with a gradual recovery from the decades-low crossing numbers prompted by COVID-19 travel bans, closures of non-essential services, lock-downs and hastily accommodated work-from-home initiatives.

By October, traffic was at 90 per cent of pre-COVID levels, with a dozen days in the month topping the 100,000 crossing mark. Then – just as in the cartoon – Omicron hit, bringing with it more health measures and business closures aimed at stopping viral spread. Traffic volumes dropped again. In January, there was no day where bridge crossings exceeded 100,000.

"If traffic is a barometer of what is happening in the economy, our bridge counts can be instructive in judging the impact of health measures," said Steve Snider, CEO and General Manager of Halifax Harbour Bridges.

As an organization that derives nearly 100 per cent of its revenue from toll fees, HHB keeps a close eye on traffic – and just as importantly, the external factors that can affect it.

Although traffic levels climbed back to 92 per cent of by year-end in March, the annual traffic volume decreased by 11.5 per cent over fiscal 2020 levels, representing 3.8 million fewer crossings. That loss of traffic translated into a 6.9 per cent decrease in toll revenues compared to fiscal 2020.

With pandemic-inspired changes in traffic volumes that gave drivers unusual freedom, COVID-19 may have also contributed to a spike in trucks colliding with the canopies of HHB toll booths. In 2020, there were just four collisions at the toll plazas involving trucks or buses. In 2021, as the roads started to get busy again, that number soared to close to 20 – enough to prompt members of the Halifax community to create a calendar featuring photos of vehicles stuck in the tolls. In response to the increased incidents, HHB added warning crash bars to the toll plazas in an attempt to give drivers enough warning to slow down and avoid a collision.

Cartoon by Bruce Mackinnon for the Halifax Herald

Other parts of the organization were affected by COVID-19 and the ensuing public health recommendations.

Drawing on the best advice from health officials, senior management mandated workplace policies that included physical distancing, masking requirements and working from home when possible. As of year-end, no HHB employees reported having contracted COVID-19 in the workplace.

As the fiscal year closed, much of the COVID-19 discussions shifted from the health of the workforce to the impacts the pandemic was having on supply chains, the ability to fill open positions and the alarming jump in prices for both equipment and services.

While the public health threat may be reduced, it's clear the lingering pandemic will continue to have an impact on the operation and maintenance of the Halifax's bridges through 2022-23.

Despite facing another year-end with revenue challenges, Snider was confident HHB would be able to weather the storm, and do whatever was necessary to keep the bridges running smoothly.

"Halifax is positioned for growth and the bridges are at the heart of the transportation infrastructure. We will support that growth through safe and efficient transportation of cars, commercial vehicles, and active transportation options."

Other related stories:

- Keeping our workplace safe

Halifax Harbour Bridges
P. O. Box 40, 125 Wyse Rd.
Dartmouth, Nova Scotia, B2Y 3Y2
(902) 463-2800
bridges@hdbc.ns.ca

Keeping our workplace safe

As the number of COVID cases bounced up and down throughout the year, HHB worked to find the balance between employee safety and customer comfort levels.

Masks, social distancing, and enhanced cleaning remained the norm. New employees were required to provide proof of vaccination as part of the hiring process and employees who could work from home continued to do so.

"We've had employees with COVID, but as far as we can tell, the infections have not come from the workplace," said HHB CEO & General Manager Steve Snider late in the fiscal year.

"Our vigilance has paid off, but we need to remain vigilant for a while longer if we want to avoid some of the lost time challenges we are seeing in other organizations," he said.

Snider said after two years of work in the shadow of the pandemic, the staff's comfort level with virtual meetings reached unexpected high levels.

"When we moved beyond the learning curve, virtual meetings became a preference for staff in many cases," said Snider. "The whole work-from-home option that was created of necessity evolved into a pretty efficient way of doing business."

Although Snider believed a return to in-person meetings was inevitable in 2022, virtual or small group meetings with masks were the standard as the year ended.

Other related stories:

- Traffic down, MACPASS usage up

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bridges@hdbc.ns.ca

Progress towards our goals

In 2020 Halifax Harbour Bridges approved a five-year strategic plan designed to serve as a roadmap for the organization.

Crafted in the early stages of the pandemic and prior to the approval of the first toll hike in a decade, the plan was ratified with the understanding that it was a living document that would evolve as fiscal and societal realities changed.

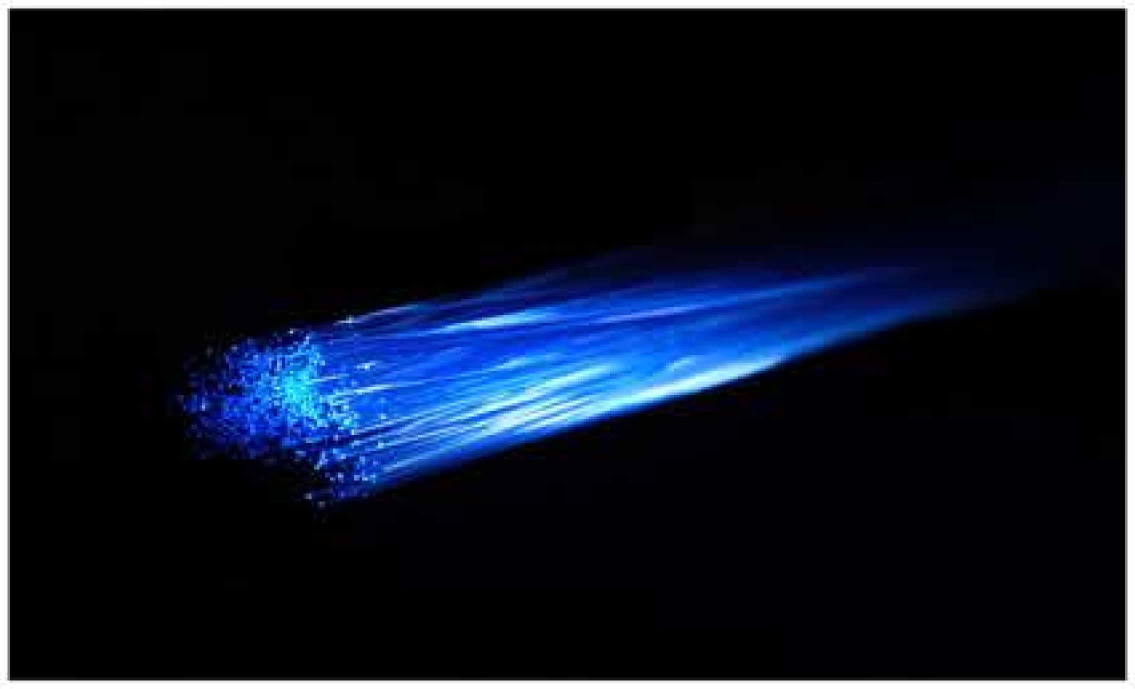
By late 2021, the Board and senior management found the conditions in which HHB operated had changed significantly and refinement of the strategic plan might help ensure a shared focus on how the organization achieves it mandate of providing safe, efficient and reliable cross harbour transportation infrastructure.

In some cases, the changes subtly reflect our desire for greater emphasis on diversity and inclusion, sustainability and innovation. Others more clearly call out the two challenges HHB faces: the introduction of all-electronic tolling and the re-decking or the replacement of the A. Murray MacKay Bridge.

HHB believes the revised strategic plan presents a clearer picture of our path to a desired future and will serve as an appropriate touchpoint for measuring our success over the next three years.

Read on to find three examples of how we are meeting the our goals in the area of diversity, technological innovation and protection of the environment.

Equity, diversity and inclusion efforts ramp up



Bringing fibre back to the Macdonald Bridge

Choosing the green road

Halifax Harbour Bridges
P. O. Box 40, 125 Wyse Rd.
Dartmouth, Nova Scotia, B2Y 3Y2
(902) 463-2800
bridges@hdbc.ns.ca

Equity, diversity and inclusion efforts ramp up

Why is it important to understand the proper use of pronouns in workplace? What can we learn from the bulldozing of Africville? How can the Halifax Harbour Bridges (HHB) workplace become more inclusive for individuals with disabilities?

Those were just some of the important questions discussed by HHB staff during monthly Lunch and Learn sessions presented over the past year by the Equity Diversity and Inclusion (EDI) committee.

"We've had some powerful discussions that I believe are helping build an organizational culture that embraces the uniqueness of individuals and makes us more representative of the communities we serve," says committee co-chair Jacqueline Macdonald.

The current equity, diversity and inclusion initiatives are grounded in HHB's 2020 strategic plan and the identified need for policy and programs to support a diversified workplace. A consultant was hired to assess the workplace, provide training for staff and board members, and suggest a framework for future action. "It started with the Board and happily everyone at HHB has embraced it," says Board member Donna Smith. "It's a growing initiative will all parties committed to its success."

In the past fiscal year, those EDI efforts gained prominence with the formal establishment of an EDI committee, enhanced communication of EDI education and the formal adoption of an Equity, Diversity and Inclusion Policy.

"It's easy for an organization to say they'll work toward a workplace free from discriminatory and intimidating behaviour, but words become action when you have a policy document you can point to that provides a framework for leadership and decision making," says committee co-chair and Human Resources Manager Carl Gannon.

The policy outlines the HHB definitions of equity, diversity and inclusion and acknowledges the value of equitable treatment. It also highlights how the organization is stronger with employees with diverse backgrounds, perspectives, and experiences.

Building an equitable, diverse, and inclusive workforce is collaborative and requires those in positions of privilege to be allies to those from marginalized groups, states the policy.

Gannon says HHB successfully used targeted hiring on two occasions in the past year to help address representational inequities and he expects to do more in the future.

"At HHB, our safety culture is beyond reproach. As we build momentum on EDI efforts, I hope our EDI commitment will be engrained baked into everything we do in the same fashion," he says.

Other related stories:

- Bringing fibre back to the Macdonald Bridge
- Choosing the green road

HHB Halifax Harbour Bridges ANNUAL REPORT 21/22 Future Under Construction

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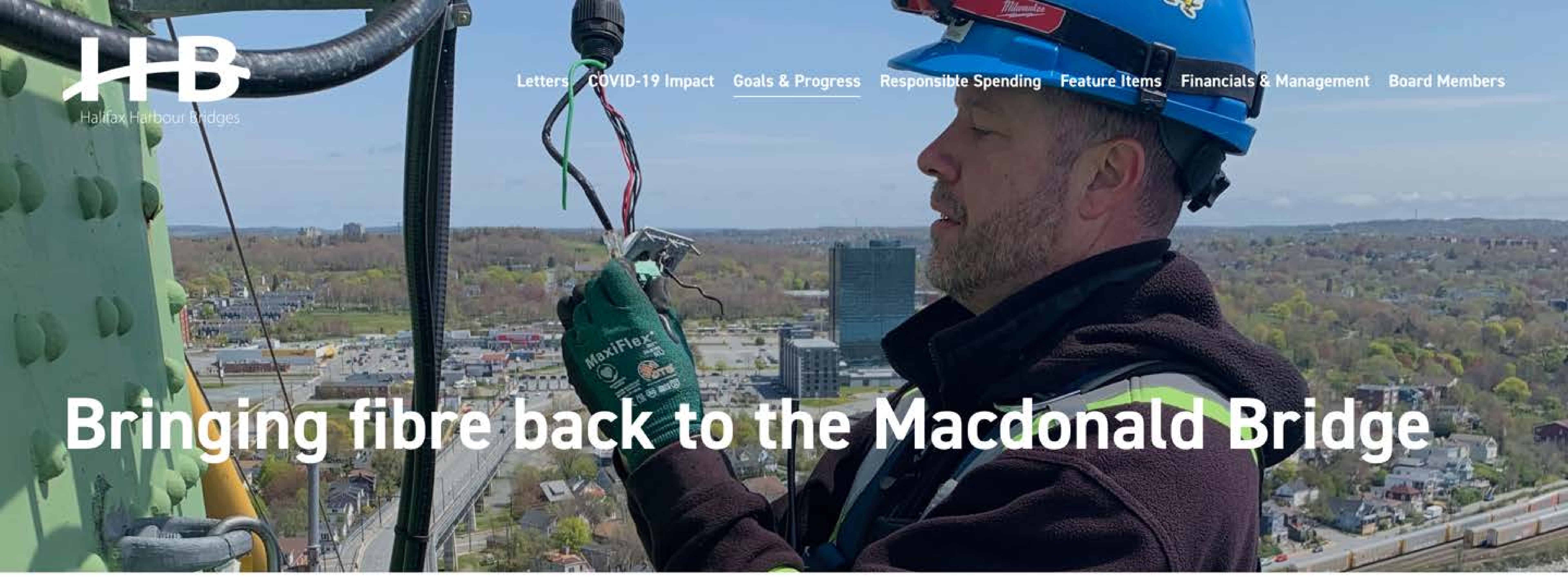

Bringing fibre back to the Macdonald Bridge

The completion of a five-year effort that gives Halifax Harbour Bridges the opportunity to take advantage of the best security and tolling technologies available was marked with the simple switching of a traffic arrow light on the Macdonald Bridge.

"The Big Lift cut the fibre optic connection along the Macdonald Bridge. We've made things work with wi-fi and cellular modems since then, but we are all hard-wired again," says David Greenfield, who was recently promoted from Manager of IT &Tolling to Chief Information Officer.

If the effort was simply about splicing together the broken pieces of glass fibre, it could have been accomplished years ago, but it also would have left the bridge struggling with decade-old technology.

Instead, the IT team designed an entirely new, purpose-built system that included the replacement of the entire fibre network, and the upgrading of key switches to accommodate the next generation of security cameras, weather stations, lighting, and in the future, internet of things (IoT) devices.

"Technology has changed in the last decade. Without the new fibre, we'd never be able to tackle the next generation of tolling that is on the horizon," adds Greenfield. "The change really set us up to grow."

It will also give his team more time to focus on that future rather than having to climb gantries to reset traffic systems when a connection is lost.

"A wi-fi and cellular systems are way more finicky, but when you lose a network connection and directional lighting ceases to function, you don't have many options but climb and reset. And it always seems to happen in the middle of the night or the heart of a storm."

With the changes in place, he expects the number of required after hour calls to drop from twice a week to once a year.

"That's huge."

The part that makes the network overhaul "that much sweeter" is that it was done in-house. Contractors may have installed the actual fibre, some of the switches and new cabinets, but it was the five years of planning, design, and set up by the talented and dedicated staff in the IT & tolling office that made this a reality."

Other related stories:

- Equity, diversity and inclusion efforts ramp up
- Choosing the green road

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P. O. Box 40, 125 Wyse Rd.
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bridges@hdbc.ns.ca

Choosing the green road

Bridge construction and maintenance involve a lot of steelwork, paving and painting that generally aren't great for the environment. Add to that the facilitation of pollution-emitting vehicles by our users and our sustainability story could be bleak.

But it is not. HHB has an impressive number of green initiatives and is actively seeking to strengthen its focus on sustainability.

HHB's existing commitment to sustainability is reflected in its recently revised five-year strategic plan with the explicit goal of improving safety, efficiency, and *environmental stewardship*. The plan also includes a 2025 outcome that calls for the development of a sustainability assessment for all major projects.

The organization's strong commitment to the environment in both in its day- to day operations and in the planning and implementation of major projects is evident in some of the projects we undertake. Those include:

- Installation of a solar-powered gate
- The introduction of hybrid/electric vehicles
- Paint recycling programs
- Creation of a green roof on MACPASS Office
- Introduction of bridge wash program that helps paint last longer
- Office recycling
- MACPASS recycling so they don't end in landfill
- Annual reports become downloadable digital-first documents
- Conversion of a paper-based document filing system to a digital system
- A procurement policy that requires all RFP/tender submissions to include an environmental protection plan
- A program to remove lead-based paint on the bridges and replace it with a zinc-based paint
- Old lead-based paint that has been removed is contained and shipped offsite for proper disposal
- LED lighting is installed on the bridges and throughout buildings
- Waste metal recycling: Sections of the Macdonald Bridge's original sidewalk/bikeway were donated to local community groups for use as walking/ATV trail bridges
- HHB has prohibited the use of pesticides in landscaping
- Trees and native species are planted around the on ramps of the MacKay Bridge
- A parking space has been designated for Atlantic Car Share parking at Macdonald Bridge parking lot
- Sidewalks and the bikeway promote active transportation
- A bike fix-it station has been refurbished below the Macdonald Bridge
- Managers are taking sustainability certification courses
- Exterior water fountains have been installed on the Dartmouth side of the Macdonald Bridge encouraging the use of reusable water bottles

HHB recently created a committee/working group charged with updating HHB's original Environmental Action Plan and exploring projects and processes that will make it an even better guardian of the environment.

If the effort is successful, HHB's environmental commitment will be embedded into its organizational culture with the same level of importance as safety, cybersecurity, and equity diversity and inclusion.

Other related stories:

- Bringing fibre back to the Macdonald Bridge
- Equity, diversity and inclusion efforts ramp up

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Aggressive 10-year maintenance and renewal plan get green light

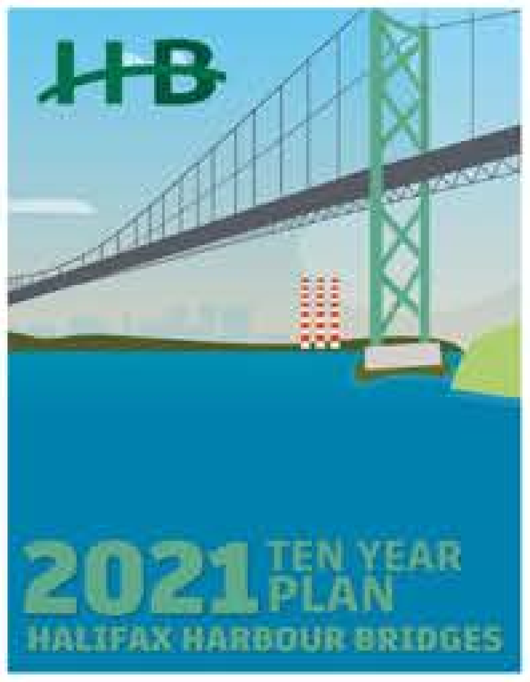
An October 2021 Nova Scotia Utility and Review Board (NSURB) decision approving the first HHB toll increase in a decade also marked the start of the organization's most aggressive maintenance and capital program since the Big Lift.

The increase, which took effect Jan 3, 2022, saw the price for a passenger vehicle using MACPASS increase to $1 from 80 cents. The cost for a passenger vehicle using cash went to $1.25 from $1. Commercial vehicles saw an increase of 25 per cent per axel.

With the approval of a toll increase, the NSURB acknowledged the 10-year, $285 million maintenance and capital program at the heart of the toll increase submission was reasonable to keep the MacKay and Macdonald bridges operating safely and at peak efficiency.

The plan includes steel repair and painting, span bearings and pier rehabilitation, dehumidification of the MacKay Bridge main cable, resurfacing and deck repairs, fatigue repairs and associated component replacement. The plan also includes funding to support the exploration of the future of the MacKay Bridge.

Details about the specific projects that will be carried out as part of the 10-year plan can be found by clicking the Ten Year Plan cover photo.



March 31, 2022 - Ten Year Plan Document

Other related stories:

- Protecting the lifeline of a suspension bridge

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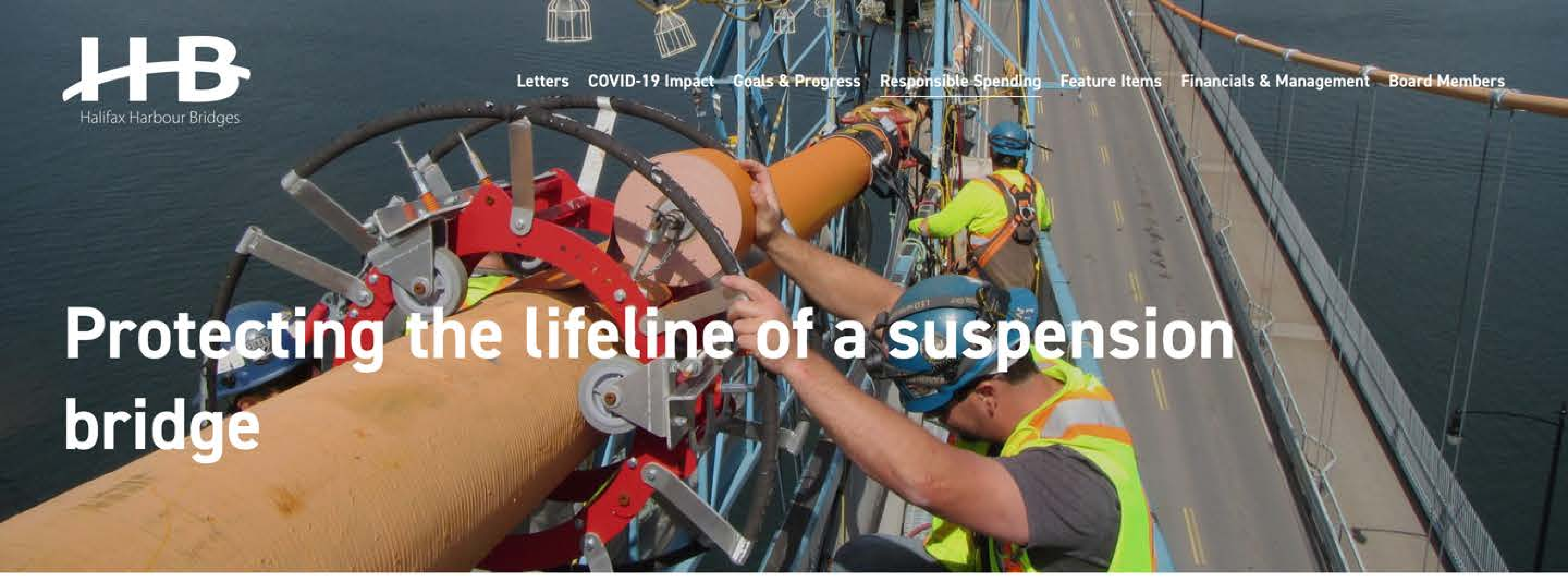

Protecting the lifeline of a suspension bridge

When you are rappelling down the side of a cliff face, the last thing you want to find is your climbing rope beginning to fray.

That's why seasoned professionals inspect their rope for soft or flat spots before every climb. If it's not functionally optimal and safe, it's time to retire the rope.

In the same way a climbing rope is integral to safe rappelling, the main cable of a suspension bridge is key to holding a road deck safely in place so vehicles can cross over challenging geography, rivers, or in the case of Halifax, Halifax Harbour.

The engineering of a suspension bridge is a mind-boggling combination of physics and gravity, but in the simplest terms, the road deck hangs on vertical suspender cables (hangers). With minimal direct support from beneath the deck, the weight of the bridge deck and traffic is transferred by the main cables to the towers, the cable bents, and the anchorages at both ends of the bridge.

CABLES ARE CRITICAL

On the MacKay Bridge, each main cable is about 15 inches in diameter and composed of 61 galvanized cable strands arranged in a hexagonal pattern. The cables are covered with a complex protective coating to bring the hexagonal shape to a round shape. The cable is wrapped with galvanized wire and then sealed with a rubberized coating.

When the MacKay Bridge was opened in 1970, the main cables were inspected annually for the first two decades. When those inspections began showing evidence of corrosion resulting from moisture, the frequency, and level of detail of the inspections, increased.

"In our most recent inspections, the cable is showing notable signs of moisture, especially at the low points. We've seen some surface corrosion, and a rare broken wire, but the main cable remains safe," says Chief Bridge Engineer Ahsan Chowdhury.

"But if moving forward no action is undertaken, the capacity of the cable will decrease – and protection of capacity is considered the most efficient and reasonable way of maintaining the cable over the life of the bridge."

As it is impossible to strengthen or replace the main cables without major traffic disruptions, HHB is looking at installing a cable dehumidification system to protect the existing cables from further deterioration. Dehumidification of enclosed steel cables on suspension bridges has been accepted and employed as an active corrosion protection method on landmark bridges worldwide for 50 years.

Just over $11.5 million has been budgeted for design, build, and installation.

HOW DOES MAIN CABLE DEHUMIDIFICATION WORK?

When dehumidified (dry) air is injected into the cable, it absorbs trapped moisture from the cable and cable wrapping. The saturated air is then exhausted through ports further up the cable. Over time, moisture in the cable is reduced to levels that eliminate the possibility of cable corrosion. As steel does not corrode when the relative humidity (RH) is below approximately 40%, the cable is protected from corrosion. The system also produces pressure inside the sealed cable to prevent further water and moisture from entering the cable.

Dehumidification systems typically include three primary components: an effective sealing system applied to the span's main cable; a dehumidification plant that creates and blows dry air through the cables and a monitoring system that automatically adjusts the system to real-time conditions.

The Macdonald Bridge had a cable dehumidification system installed during the Big Lift project.

As HHB has been considering options for the future of the MacKay Bridge, engineering staff have looked at the successful implementation of dehumidification systems at Maryland's Chesapeake Bridges, Delaware's Memorial Bay Bridges, and elsewhere.

"The structural integrity of the bridge is not in question. The safety of our users and our staff is not in jeopardy, but this is an important project to ensure the continued structural integrity of the bridge until we move forward with a major rehabilitation or replacement option that must be in place by 2040," says HHB CEO Steve Snider.

Other related stories:

- Aggressive 10-year maintenance and renewal plan get green light

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Still big on the Big Lift

More than three years after it was completed, the Big Lift is still getting attention.

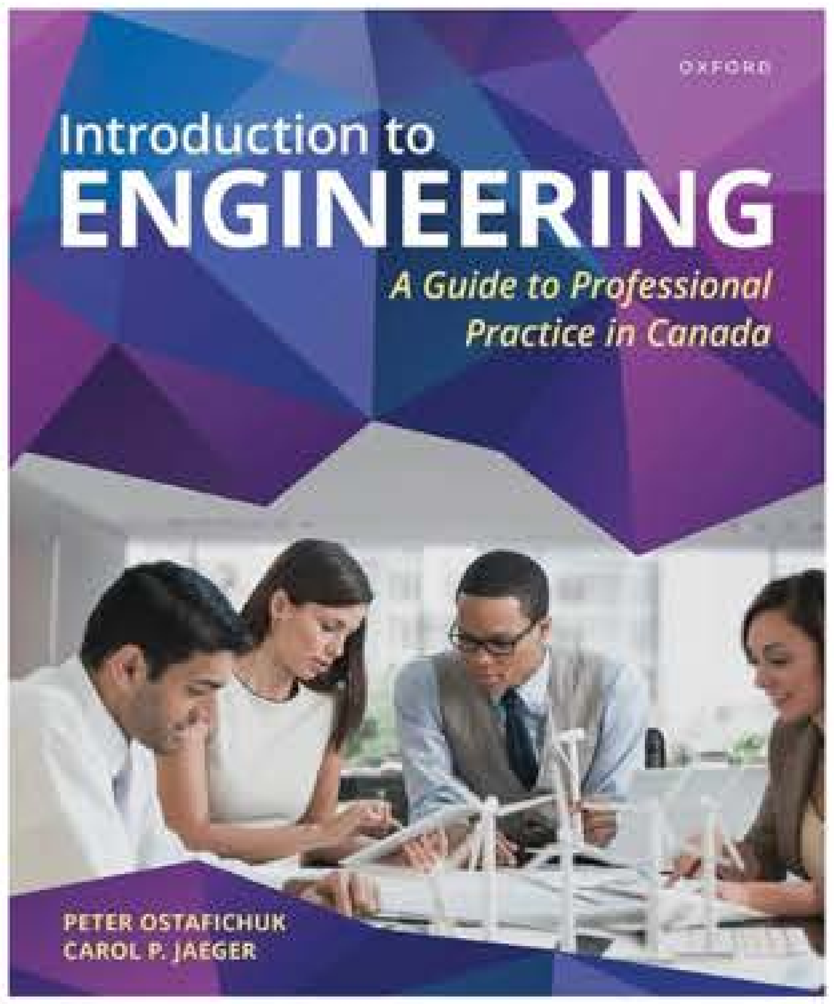
Recognized as a significant Canadian engineering accomplishment, the redecking of the Macdonald Bridge will be featured in a new engineering text written by University of British Columbia engineering professor Dr. Peter Ostafichuk.

The nine-year long project is described in a chapter called *Managing Projects*. It details the HHB efforts from the planning phase through to completion, with plenty of details for first-year engineering students to learn from.

"While not every engineer manages projects of this scale, the ability to define, plan, and manage even small projects is an essential skill for professional engineers and students alike," reads the chapter introduction.

A case study within the chapter focuses on the Big Lift's high-level planning and the use of a specialized chart to give an overall sense of the project timeline. The author indicates the chart for the Big Lift included 740 tasks and 400 milestones.

The book is scheduled for publication in January of 2023.



Textbook with a full chapter on The Big Lift

Other related stories:

- Engineer's family donates important drawing
- We Stand with Ukraine

Engineer's family donates important drawing

A rare, original pen-and-ink concept drawing of the Macdonald Bridge produced by one of the engineers behind the massive project is now on display in the Halifax Harbour Bridges main office thanks to a recent donation.

Original pen-and-ink concept drawing of the MacDonald Bridge

Charles A.E. Fowler sketched the Angus L. Macdonald Bridge in 1949 as he tried to get a feel for how the bridge spanning the harbour would fit into the landscape.

Fowler's family donated the drawing to HHB after he died in 2021, sharing that Fowler was proud of the fact that the bridge he helped build was strong enough to eventually hold a third lane, bike path and pedestrian walking path.

"He was proud of the drawing. It hung outside his home office for years, so he would see it every day," said his son Graham Fowler. "There were some copies commissioned for the Bridge commissionaires at the time, but this was the original."

Along with the drawing, the Fowler and Charlton families donated some small-scale architectural drawings, photographs and a copy of the program from the day the bridge was officially opened.

Fowler's architectural and engineering credits include Centre 2000 in Sydney and Dalhousie University's Rebecca Cohn Auditorium, but his daughter Beverley Charlton said he considered the work on the Macdonald Bridge as one of the more significant projects of his career.

Other related stories:

- Still big on the Big Lift
- We Stand with Ukraine

Annual Report – Financial Overview

Financial Highlights – Statement of Comprehensive Income

(In thousands of dollars)	2022 Budget	March 31, 2022 Actual	March 31, 2021 Actual
Revenue	30,611	29,823	25,704
Expenses			
Operations	4,904	4,488	4,457
Maintenance	3,761	3,487	4,494
Administration	3,123	2,782	2,759
Amortization of property and equipment	9,258	9,651	9,338
Total Expenses	21,046	20,408	21,048
Operating Income	9,565	9,415	4,656
Net Finance Costs	3,932	3,910	3,923
Comprehensive Income	5,633	5,505	733

HHB's 2021-2022 audited financial statements are found at www.hdbc.ca/publications

Halifax Harbour Bridges (HHB) was created in 1950 by a statute of the Province of Nova Scotia and is a Government Business Enterprise (GBE) as defined by the Public Sector Accounting Board recommendations. As such, HHB prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Revenues

of HHB are derived from tolls based on traffic volumes on the Angus L. MacDonald and A. Murray McKay Bridges and related fees. Toll rates increased 25% on January 3, 2022 following an application to the Nova Scotia Utility and Review Board for an increase to fund future capital projects. Traffic volumes in fiscal 2021-2022 continued to be impacted by the COVID-19 pandemic. The budget assumed traffic levels at 90% of pre-pandemic levels and actual traffic levels finished at 88.5% for the fiscal year. As a result, toll revenues in fiscal 2022 increased over the prior year due to both the increase in rates and increase in traffic from the Covid lows of fiscal 2021. Toll revenue was less than budget as traffic volume did not meet the budgeted level.

Operations

includes the costs to staff the toll facilities, bridge patrol, the MACPASS Customer Service Centre and maintain the tolling equipment and IT infrastructure. In fiscal 2022, costs were below budget due to cost control of toll plaza operations and lower than expected spending in the IT and toll support areas.

Maintenance expenses

include costs of maintaining the structural integrity and operational standards of the bridges along with upkeep of buildings and equipment. These costs include snow removal, corrosion protection through painting, consulting engineering fees and operational costs of buildings, vehicles and properties. Maintenance costs are lower in 2022 compared to the prior year as the prior year included extensive inspections of the MacKay Bridge's main cables which were not repeated in fiscal 2022.

Administrative expenses

include insurance premiums, professional fees, property taxes and wages for accounting, treasury and public relations functions. In fiscal 2022, administration costs were lower than budget as planned spending on consultants for IT and HR initiatives was delayed. Costs were slightly higher than the prior year with increases in insurance and recruitment offset by savings in consulting.

Amortization of property plant and equipment

is a non-cash charge that represents the cost of HHB's long-term capital assets over their expected useful life. Amortization increased in fiscal 2022 as capital projects completed in the prior year are amortized.

Net Finance costs

consist of interest costs for HHB's long term debt offset by interest income earned on cash held in operating and loan reserve accounts. In fiscal 2022, net finance costs decreased compared to the prior year as principal repayments reduced interest expense. Interest income earned on cash balances was slightly higher than planned resulting in net financing costs lower than budget.

Outlook: Revenues and Expenses

The COVID-19 pandemic and its impact on traffic and toll revenue remains unpredictable. As the state of emergency and removal of all restrictions have led to a budget for the coming year that assumes a continued return to normal. For fiscal 2023, HHB has assumed traffic levels will average 95% of pre-pandemic levels. The assumed increase in traffic along with the increase in toll rates will generate higher revenues for fiscal 2023 and higher comprehensive income. The corresponding increase in cash flow is required to pay for the capital improvements to the bridges over the next ten years as presented to the UARB.

Financial Highlights – Statement of Financial Position

(In thousands of dollars)	March 31, 2022	March 31, 2021
Current Assets	10,994	13,139
Restricted Funds and Property Plant and Equipment	289,871	286,348
Total Assets	300,865	299,487
Current Liabilities	17,728	14,853
Long term debt and other liabilities	138,035	145,037
Equity	145,102	139,597
Total Liabilities and Equity	300,865	299,487

HHB's 2021-2022 audited financial statements are found at www.hdbc.ca/publications

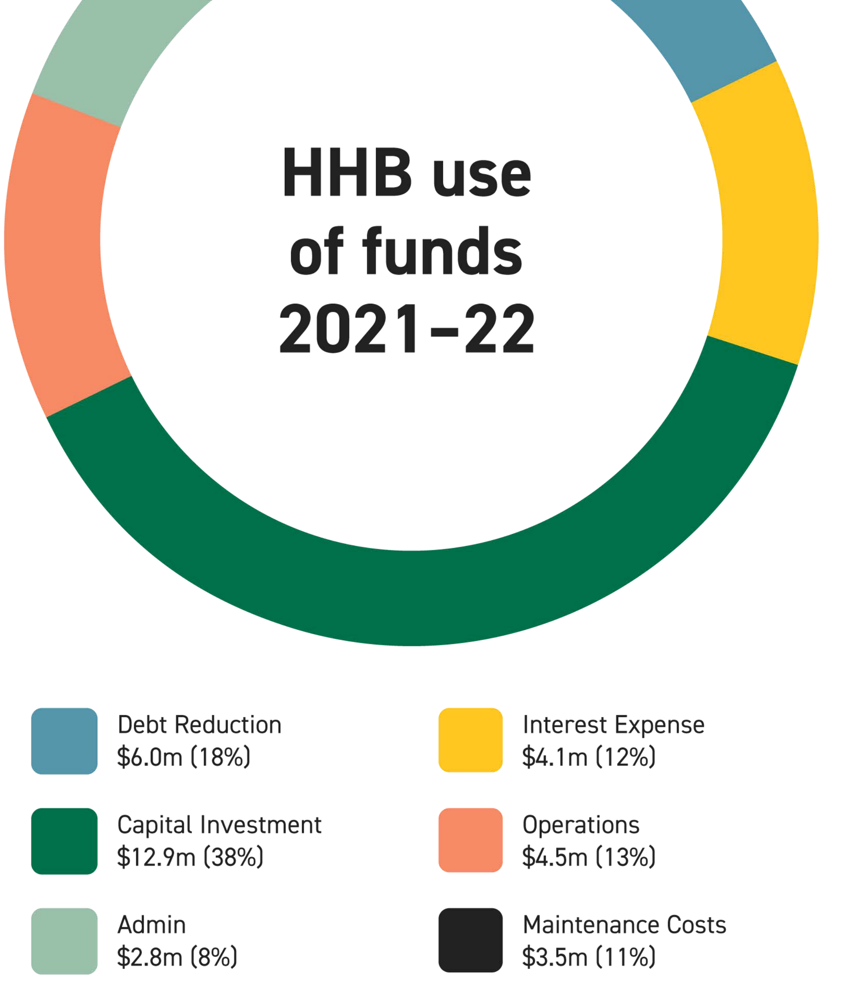
HHB's financial condition remained strong in fiscal 2022 as shown in the statement of financial position. Current assets are primarily cash at $9.7 million and current liabilities include deferred revenue of $4.4 million which represents customer deposits in their Macpass accounts. Total assets increased when compared to fiscal 2021 as property plan and equipment rose in value as the age of the bridges has necessitated investment in improvements.

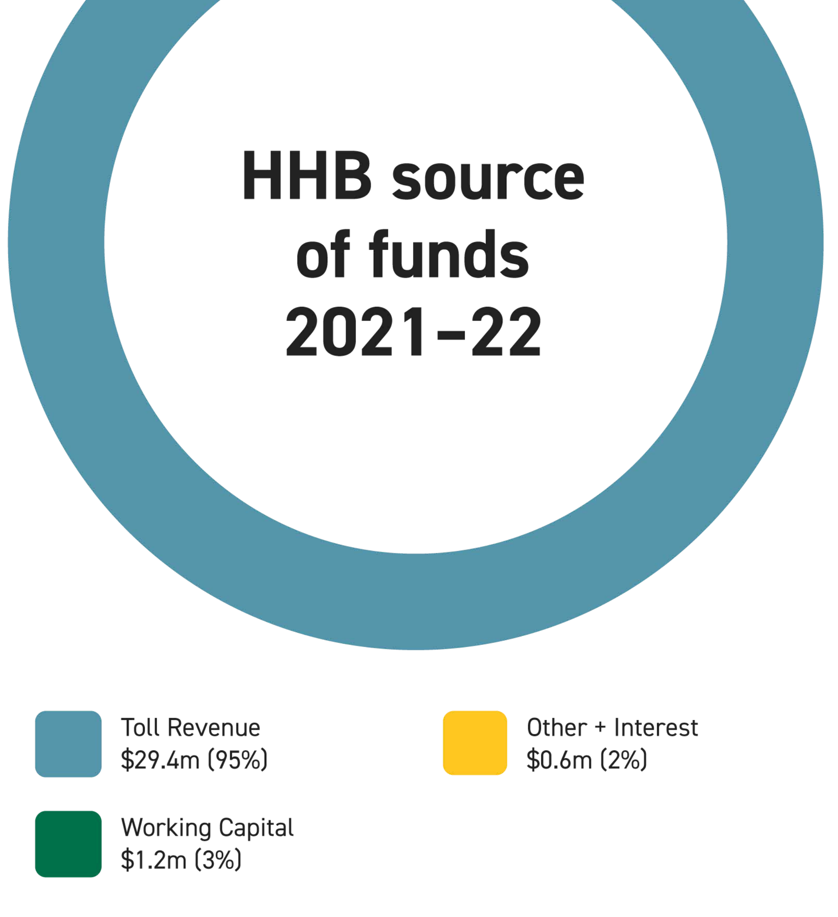
Overall the sum of current liabilities and long term debt have decreased in fiscal 2022 with the repayment of maturing debt. Equity has increased in fiscal 2022 with positive comprehensive income recorded for the year. Approximately $15.4 million of the equity balance is recorded as a reserve for restricted assets, comprised of funds set aside under various loan agreement terms.

Outlook: Financial Position

HHB presented a ten year plan as part of the application to the UARB for a toll increase that included capital spending of $280 million over the ten years. The plan included additional long term debt of $155 million which, along with the increased toll revenues, will pay for the capital projects. It is expected that a portion of this additional debt will be incurred in fiscal 2023.

Financial Highlights – sources and uses of funds





Data for above charts from Statement of Cash Flows, part of HHB's 2021-2022 audited financial statement located at www.hdbc.ca/publications

The two charts above summarize data from the statement of cash flows included in HHB's audited financial statements. The charts illustrate how HHB obtained funding in fiscal 2022 and how the money was spent.

In fiscal 2022, the increase in traffic from prior year along with the increase in toll rates improved toll revenue to $29.4 million and provided 95% of the cash flow.

66% of the cash spent was Capital investments (38%), debt reduction (16%) and interest expense (12%). The Capital investment of $12.9 million is primarily improvements to the Bridges and related structures to extend their useful life. Significant projects included steel and coatings work on the Macdonald Bridge, concrete pier rehabilitation and expansion joint replacements. The cash requirements to fund the day to day work of HHB and bridge operations is represented by the categories of "Operations", "Maintenance" and "Administration" totaling $10.8 million as discussed in the review of the Statement of Comprehensive Income.

Financial Statements of

HALIFAX DARTMOUTH BRIDGE COMMISSION

Year ended March 31, 2022

Independent auditor's report

Grant Thornton LLP
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9

T +1 902 421 1734
F +1 902 420 1068

To the Chair and Commissioners of the Halifax Dartmouth Bridge Commission:

Opinion

We have audited the financial statements of the Halifax-Dartmouth Bridge Commission (the "Commission"), which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Halifax-Dartmouth Bridge Commission as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton LLP

Halifax, Canada
June 27, 2022

Chartered Professional Accountants

HALIFAX DARTMOUTH BRIDGE COMMISSION

Statement of Financial Position

March 31, 2022, with comparative figures for 2021
(in thousands of dollars)

	2022	2021
Assets		
Current assets:		
Cash	$ 9,689	$ 12,609
Receivables	809	173
Prepaid expenses and inventory	496	357
	10,994	13,139
Restricted assets (note 5)	15,377	15,069
Property, plant and equipment (note 6)	274,494	271,279
	$ 300,865	$ 299,487
Liabilities and Equity		
Current liabilities:		
Accounts payable, accrued and other liabilities (note 7)	$ 6,324	$ 4,746
Deferred revenue	4,404	4,107
Current portion of long-term debt (note 8)	7,000	6,000
	17,728	14,853
Other liabilities (note 15)	35	37
Long-term debt (note 8)	138,000	145,000
	155,763	159,890
Equity:		
Reserve for restricted assets	15,377	15,069
Retained earnings	129,725	124,528
	145,102	139,597
	$ 300,865	$ 299,487

Commitments (note 17)
The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Commission:

Vicki Harnish
Chair, Board of Commissioners

Jennifer LaPlante
Audit Committee

HALIFAX DARTMOUTH BRIDGE COMMISSION

Statement of Comprehensive Income

Year ended March 31, 2022, with comparative figures for 2021
(in thousands of dollars)

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue:			
Toll revenue	$ 30,099	$ 29,393	$ 25,246
Other rate revenue	193	169	174
Other income	319	261	284
	30,611	29,823	25,704
Expenses:			
Operating expenses	4,904	4,488	4,457
Maintenance expenses	3,761	3,487	4,494
Administration expenses	3,123	2,782	2,759
Amortization of property, plant and equipment	9,258	9,651	9,338
	21,046	20,408	21,048
Operating income	9,565	9,415	4,656
Finance costs (note 9):			
Finance income	(157)	(179)	(264)
Finance costs	4,089	4,089	4,187
	3,932	3,910	3,923
Comprehensive income	$ 5,633	$ 5,505	$ 733

The accompany notes are an integral part of these financial statements.

HALIFAX DARTMOUTH BRIDGE COMMISSION
Statement of Changes in Equity

Year ended March 31, 2022, with comparative figures for 2021
(in thousands of dollars)

		Restricted Assets				
	Retained earnings	Capital fund	Operations and maintenance (OM) fund	Debt service fund	Total restricted	Total equity
Balance, March 31, 2020	$123,491	$ 8,042	$ 3,144	$ 4,187	$ 15,373	$138,864
Comprehensive income	548	110	31	44	185	733
Transfers to (from)	489	(119)	(228)	(142)	(489)	-
Balance, March 31, 2021	$124,528	$ 8,033	$ 2,947	$ 4,089	$ 15,069	$139,597
Comprehensive income	5,389	66	21	29	116	5,505
Transfers to (from)	(192)	(70)	421	(159)	192	-
Balance, March 31, 2022	$129,725	$ 8,029	$ 3,389	$ 3,959	$ 15,377	$145,102

The accompany notes are an integral part of these financial statements.

HALIFAX DARTMOUTH BRIDGE COMMISSION

Statement of Cash Flows

Year ended March 31, 2022, with comparative figures for 2021
(in thousands of dollars)

		2022		2021
Operating activities:				
Comprehensive income	$	5,505	$	733
Amortization of property, plant and equipment		9,651		9,338
Interest expense		4,089		4,187
Investment income		(179)		(264)
		19,066		13,994
Net change in non-cash working capital balances (note 10)		1,098		(4,058)
		20,164		9,936
Investing activities:				
Purchase of property, plant and equipment		(12,866)		(6,915)
Proceeds from capital fund		4		9
Investment in OM fund		(442)		197
Decrease in debt service fund		130		98
Investment income received		179		264
		(12,995)		(6,347)
Financing activities:				
Proceeds from Big Lift promissory note		-		14,400
Long-term debt repayments		(6,000)		(5,000)
Interest paid		(4,089)		(4,187)
		(10,089)		5,213
(Decrease) increase in cash		(2,920)		8,802
Cash, beginning of year		12,609		3,807
Cash, end of year	$	9,689	$	12,609

The accompany notes are an integral part of these financial statements.

1. Reporting entity

The Halifax-Dartmouth Bridge Commission (the "Commission"), operating as Halifax Harbour Bridges, was created in 1950 by a statute of the Province of Nova Scotia (now the Halifax-Dartmouth Bridge Commission Act - Statutes of Nova Scotia, 2005, c.7) and is a government business enterprise as defined by Public Sector Accounting Board recommendations. The Commission's address and principal place of business is 125 Wyse Road, Dartmouth, Nova Scotia, B3A 4K9.

The principal activities of the Halifax-Dartmouth Business Commission is the operation and maintenance of two toll bridges spanning Halifax Harbour; the Angus L. MacDonald Bridge and the A. Murray MacKay Bridge.

The Commission is exempt from income tax under Section 149 of the income Tax Act.

2. Basis of financial statement preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements for the year ended March 31, 2022 were approved and authorized for issue by the Board of Commissioners on June 27, 2022.

(b) Basis of measurement

The Commission's financial statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below.

(c) Functional and presentation currency

The Commission's functional and presentation currency is Canadian dollars. All financial information is presented in Canadian dollars and has been rounded to the nearest thousand.

(d) Use of estimates and judgments:

The preparation of financial statements conforming to IFRS, requires the use of accounting estimates and management's judgment to determine the appropriate application of accounting policies. Estimates and assumptions are required to determine the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognized in the period in which the estimate was revised and any future periods affected.

2. Basis of preparation (continued)

The following judgments and estimates are those deemed by management to be material to the Commission’s financial statements:

Judgments

(i) Capitalization and componentization

Judgment is used when determining if components of a construction project are of a capital or repair nature and as to what components constitute a significant cost in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation. Among other factors, these judgments are based on past experience, as well as information obtained from Commission’s internal and consulting engineers.

(ii) Depreciation and amortization

Judgment is used when determining the estimated useful lives of property, plant, and equipment. Among other factors, these judgments are based on past experience, as well as information obtained from the Commission’s internal and consulting engineers.

Estimates

(i) Depreciation and amortization

Depreciation and amortization is calculated to write off the cost, less estimated residual value, of assets on a systematic and rational basis over the expected useful life of the asset. Estimates of residual value and useful lives are based on past experience, as well as information obtained from the Commission’s internal and consulting engineers. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions.

(ii) Contract costs and contingencies

The Commission makes estimates in determining total estimated project costs related to its capital projects. Estimated total project costs are determined based on contractual obligations, past experience, as well as information obtained from the Commission’s internal and external engineers/project managers. In addition, the Commission can be subject to disputes and claims from contractors related to additional costs and recoveries, the Commission assesses the likelihood of these disputes and claims at each reporting period based on available information to determine if any amounts should be recorded. Actual results could differ from those reported and any adjustments are recorded in the year they become known.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Revenue recognition

The Commission recognizes revenue at the time a vehicle crosses a bridge. The Nova Scotia Utility and Review Board (NSUARB) regulates toll rates charges by the commission. Customer prepayments of their Electronic Toll Collection (ETC) crossings are initially recorded as deferred revenue. When the customer crosses a bridge, revenue is recognized and the deferred ETC account is reduced accordingly.

b) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are notdirectly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

c) Financial Instruments

The Commission classifies financial assets and financial liabilities according to their characteristics and management's choices and intentions. All financial instruments are initially recorded at fair value plus directly attributable transaction costs and subsequently measured based on classification described below.

Financial instruments are classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI"), fair value through profit or loss ("FVTPL") or other financial liabilities. The Commission does not have any financial assets or financial liabilities classified as either FVOCI or FVTPL.

The classification of financial assets is determined by both:

- The Commission's business model for managing the financial asset, and
- The contractual cash flow characteristics of the financial asset.

The Commission's financial instruments are comprised of the following:

Financial instrument	Classification
Cash	Amortized cost
Receivables	Amortized cost
Restricted assets	Amortized cost
Accounts payable, accrued liabilities and provisions	Other financial liabilities
Long-term debt	Other financial liabilities

3. Significant accounting policies (continued)

(i) Financial assets

Financial assets measured at amortized cost are assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the financial assets are measured at amortized cost using the effective interest rate method over the terms of the related debt, less any impairment cost.

The Commission derecognizes a financial asset when the contractual right to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows of the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial assets that is created or retained by the Commission is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

(ii) Financial liabilities

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method. Direct and indirect costs that are attributable to the issue of other financial liabilities are presented as a reduction from the carry amount of the related debt and are amortized using the effective interest method over the term of the debt. These financial liabilities are deemed to have been issued at prevailing market rates at the date of advance; accordingly no adjustment for fair value has been made.

The Commission derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

d) Cash

Cash includes cash on hand and balances with banks. Interest is received on funds in the general bank account at a rate of prime minus 1.75%.

3. Significant accounting policies (continued)

e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated amortization and any accumulated impairment losses. Land was recorded at deemed cost as of April 1, 2010, as per the optional election made on the transition to IFRS.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes; the cost of materials and direct labor, any other costs directly attributable to bringing the asset to working condition for its intended use, the cost of dismantling and removing the items, and restoring the site on which they are located. Borrowing costs related to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. When funds are temporarily invested pending their expenditure on qualifying assets, any such interest income earned on such funds is deducted from the borrowing costs incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within profit or loss.

(iii) Repairs and maintenance

Repairs and maintenance costs are charged to expense as incurred, except when these repairs significantly extend the life of the asset or result in an operating improvement. In these instances the portion of these repairs relating to the betterment is capitalized as part of plant and equipment.

3. Significant accounting policies (continued)

(iv) Amortization of property, plant & equipment

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset.

Amortization commences in the year an asset is put in use. Amortization methods, useful lives and residual values are reviewed at each financial year end, based on consultation with the Commission's internal and external consulting engineers, and adjusted if appropriate. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Asset	Rate
Buildings	5 - 50 years
Bridge and bridge components:	
Angus L. MacDonald	5 - 125 years
A. Murray MacKay	5 - 125 years
Transferable electronic toll transponder	8 years
Other assets	2 - 25 years
IT Computer and other equipment	3 - 25 years
Mobile equipment	5 - 10 years

f) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the corporation on terms that the Comission would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

3. Significant accounting policies (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated using the ‘expected credit loss’ model. The Commission makes use of the simplified approach in accounting for receivables and records the loss allowance as a lifetime expected credit loss as the receivables do not have a significant financing component. These are expected shortfalls in contractual cash flows, considering the potential default at any point during the life of the financial instrument. The Commission uses historical experience, external indicators and forward-looking information to calculate the expected credit loss. Receivables are written off when there is no reasonable expectation of recovery, during the year the Commission did not record an allowance (2020 - $Nil). Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on an impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amount of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

An impairment loss is recognized if the carrying amount of the asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Significant accounting policies (continued)

g) Leases

The Commission as a lessee

For any new contracts entered into, the Commission considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Commission assesses whether the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified as being identified at the time the asset is made availableto the Commission;
- the Commission has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within thedefined scope of the contract; and
- the Commission has the right to direct the use of the identified asset throughout the period of use. The Commission assess whether it has the right to direct 'how and forwhat purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Commission recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Commission, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencementdate (net of any incentives received).

The Commission depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Commission also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Commission measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Commission's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

3. Summary of significant accounting policies (continued)

Leases (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in the substance of fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Commission has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The Commission as a Lessor

A lease is an agreement whereby the Commission, the lessor, conveys to the tenant, the lessee, in return for a payment, or series of payments, for the right to use an asset, generally land and buildings, for an agreed period of time. Leases in which a significant portion of therisks and rewards of ownership are retained by the Commission are classified as operating leases. Operating lease rentals are recognized on a straight-line basis over the period of the lease. Leases are classified as finance leases if the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. As at December 31, 2022 (2021 – $Nil), the Commission did not have any finance lease agreements.

h) Provisions

Provisions are recognized when the Commission has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

i) Accounting changes

The Commission assesses new accounting pronouncements issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretation Committee (IFRIC) to determine whether there could be a material impact on its financial statements. As at March 31, 2022 there have been no accounting pronouncements by the IASB or IFRIC that would have a material impact on the Commission’s financial results or position.

4. Harmonized sales tax (HST) and income tax status

As a public sector entity controlled by the Province of Nova Scotia, the Commission is not subject to Federal or Provincial income taxes, and is entitled to rebates of 100% of the HST it expends on goods and services.

(in thousands of dollars)

5. Restricted assets

	2022	2021
Capital fund	8,029	8,033
OM fund	3,389	2,947
Debt service fund	3,959	4,089
	$ 15,377	$ 15,069

2015 Loan

The Commission entered into a long-term loan agreement with the Province of Nova Scotia on February 06, 2015, with the proceeds used to finance the replacement of the suspended span of the MacDonald Bridge (the Big Lift project). This agreement requires that the Commission maintain an Operating, Maintenance & Administrative Fund (OM Fund), a Debt Service Fund, and a Capital Fund.

Under the terms of the loan agreement, the OM Fund must be maintained at an amount at least equal to 25% of the annual budgeted OM expenses for the following year subject to a minimum balance of $2,500. This fund can only be used to pay OM expenses, although any amount in the fund in excess of the required balance can be transferred to the Commission's unrestricted accounts. At March 31, 2022, the OM Fund had a market value of $3,389 (2021 - $2,947) and was invested in a guaranteed investment certificate at a rate of 1.50% per annum, maturing September 19, 2022.

Under the terms of the loan agreement, the Debt Service Fund must be maintained at an amount equal to or greater than the debt service amount for the next fiscal year. This fund can only be used to pay principal, interest, and other amounts coming due, although any amount in the fund in excess of the required balance can be transferred to the Commission's unrestricted accounts. At March 31, 2022, the Debt Service Fund had a market value of $3,959 (2021 - $4,089) and was invested in a guaranteed investment certificate at a rate of 1.50% per annum, maturing September 19, 2022.

Under the terms of the loan agreement, the Commission established and deposited a minimum of $1,000 to a Capital Fund commencing March 6, 2015, continuing every six months over four years to accumulate the required Capital Fund balance of $8,000. This fund can only be used for payment of costs arising from any capital improvements planned for the Bridges, excluding re-decking projects. At March 31, 2022, the Capital Fund had a market value of $8,029 (2021 - $8,033) and was invested in guaranteed investment certificate with maturities between November 30, 2022 and January 11, 2023 with rates between 1.17% – 1.25% per annum and term deposits maturing October 4, 2022 and November 30, 2022 with rates between 0.73% and 1.15% per annum.

(in thousands of dollars)

6. Property, plant and equipment

Cost	Land	Buildings	Bridge ALM	Bridge AMM	ETC	Other	Comp Equip.	Mobile Equip.	WIP	Total
Balance, March 31, 2021	$ 9,252	$ 8,753	$ 274,698	$ 49,106	$ 6,801	$ 16,409	$ 12,276	$ 2,423	$ 4,248	$ 383,966
Additions	–	–	–	–	–	–	–	–	12,866	12,866
Retirements	–	–	–	–	–	–	(18)	–	–	(18)
Transfers	–	106	5,612	1,649	–	61	957	38	(8,423)	–
Balance, March 31, 2022	$ 9,252	$ 8,859	$ 280,310	$ 50,755	$ 6,801	$ 16,470	$ 13,215	$ 2,461	$ 8,691	$ 396,814

Accumulated Amortization	Land	Buildings	Bridge ALM	Bridge AMM	ETC	Other	Comp Equip.	Mobile Equip.	WIP	Total
Balance, March 31, 2021	$ –	$ 3,999	$ 47,133	$ 31,488	$ 5,886	$ 12,059	$ 10,516	$ 1,606	$ –	$ 112,687
Amortization expense	–	255	6,327	1,825	268	395	419	162	–	9,651
Retirements	–	–	–	–	–	–	(18)	–	–	(18)
Balance, March 31, 2022	–	$ 4,254	$ 53,460	$ 33,313	$ 6,154	$ 12,454	$ 10,917	$ 1,768	$ –	$ 122,320

Net Book Values

	Land	Buildings	Bridge ALM	Bridge AMM	ETC	Other	Comp Equip.	Mobile Equip.	WIP	Total
Balance, March 31, 2021	$ 9,252	$ 4,754	$ 227,565	$ 17,618	$ 915	$ 4,350	$ 1,760	$ 817	$ 4,248	$ 271,279
Balance, March 31, 2022	$ 9,252	$ 4,605	$ 226,850	$ 17,442	$ 647	$ 4,016	$ 2,298	$ 693	$ 8,691	$ 274,494

(in thousands of dollars)

7. Accounts payable, accrued liabilities and provisions

	2022	2021
Trade payables	$ 3,626	$ 932
Accrued expenses	517	443
Project holdbacks	636	1,399
Provisions	–	370
Accrued liabilities	1,401	1,445
Current portion of unearned revenue	144	157
	$ 6,324	$ 4,746

As at March 31, 2022, the Commission did not have any provisions for claims (2021 - $370). Provisions established in prior years were settled during the year ended March 31, 2022. Estimates are evaluated periodically and reflect all known information at year-end, including uncertainty associated with the timing and amount of the eventual settlement. Provisions are required to be measured at the present value of the expected future cash flows using a discount rate with the exception of amountspresented as current liabilities.

8. Long-term debt

	2022	2021
Province of Nova Scotia – 2015 Loan	$ 145,000	$ 151,000
Less: current portion	(7,000)	(6,000)
	$ 138,000	$ 145,000

Principal payments required on the loans for the next five years are due as follows:

2023	$ 7,000
2024	8,000
2025	8,000
2026	8,000
2027	8,000
	$ 39,000

(in thousands of dollars)

8. Long-term debt (continued)

At March 31, 2022, long-term debt consists of a loan from the Province of Nova Scotia:

2015 Loan

A $160,000 unsecured loan issued February 6, 2015 bearing interest at an average rate of 2.80%. The loan proceeds have financed the replacement of the suspended span of the MacDonald Bridge (the Big Lift project). The 2015 loan is to be repaid over twenty years starting June 1, 2019 with annual principal repayments of between $4,000 and $10,000. Interest is paid semi-annually on June 1 and December 1 of each year.

Line of Credit

A $60,000 revolving, unsecured line of credit with the Province of Nova Scotia that matures on March 31, 2025. Interest is charged on outstanding balances at a rate equal to the arithmetical average of the discount rates on Canadian Dealer Offered Rate (CDOR) Banker's Acceptances applicable on the date of the requested advance payable at maturity. As at March 31, 2022, the balance drawn was $Nil (2021 - $Nil) and no advances were outstanding during the year.

Operating Loan Facility

A $5,000, unsecured, operating loan facility with a chartered bank which bears interest at the bank prime rate minus 0.5% per annum. As at March 31, 2022, the balance drawn was $Nil (2021 - $Nil) and no advances were outstanding during the year.

9. Finance income and finance costs

	2022 Budget (unaudited)	2022	2021
Interest income on restricted assets	$ (117)	$ (116)	$ (185)
Investment income	(40)	(63)	(79)
Finance income	(157)	(179)	(264)
Interest expense on long-term debt	4,089	4,089	4,187
Net finance cost recognized in profit or loss	$ 3,932	$ 3,910	$ 3,923

(in thousands of dollars)

10. Net change in non-cash working capital balances

		2022		2021
Decrease (increase):				
Receivables	$	(636)	$	731
Prepaid expenses and inventory		(139)		85
Increase (decrease):				
Accounts payable, accrued liabilities and provisions		1,578		(5,049)
Deferred revenue		297		176
Unearned revenue		(2)		(1)
Net change	$	1,098	$	(4,058)

11. Financial risk management

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Interest rate risk
- Liquidity risk

a) Credit risk

The Commission provides credit to certain non-toll revenue customers in the normal course of its operations. In order to reduce its credit risk, the Commission has adopted credit policies including the monitoring of customer accounts.

b) Interest rate risk

The long term debt has fixed interest rates for the entire terms of both loans and consequently, there is no risk of higher interest rates in the future. The line of credit and operating loan facility are floating rate facilities with the interest rate set on the date of advance as per note 8 which consequently entails interest rate risk exposure on any outstanding balances.

11. Financial risk management (continued)

c) Liquidity risk

The Commission is exposed to liquidity risk arising primarily from its long-term debt with the Province of Nova Scotia. The 2015 loan requires annual repayments of principal, ranging between $4,000 and $10,000, beginning on June 1, 2019.

The Commission manages liquidity risk by monitoring short and long-term cash flows, setting toll rates and controlling the level of operating and capital expenditures. The 2015 loan requires annual contributions to a capital fund of $2,000 to a maximum of $8,000 that is to be maintained for the life of the loan.

The Commission's cash and restricted assets are invested in liquid, interest-bearing, investments.

12. Capital management

The Commission's capital management objective is to ensure there is adequate cash flow to meet its operational requirements, fund capital expenditures and make required debt payments.

The Commission regularly reviews its projected future toll revenues in conjunction with its current cash position and borrowing ability in order to finance significant future projects that are required to upgrade and maintain its property, plant and equipment. There were no changes to the Commission's approach to capital management during the year.

13. Related party transactions

As a provincially controlled public sector entity, the Commission is considered to be related to the Province of Nova Scotia. The Commission is also related to the City of Halifax by virtue of Halifax's right to appoint four members of the Commission's Board of Commissioners.

The Commission has applied the modified disclosure requirements under IAS 24, Related Party Disclosures, which exempt government-related entities from providing all of the disclosure about related party transactions with government or other government-related entities.

The Commission has one long-term loan with the Province of Nova Scotia (note 8) outstanding at March 31, 2022. The 2015 loan has an outstanding balance of $145,000 and interest charges for the period ended March 31, 2022 of $4,089 (2021 - $4,187), of which $1,355 (2021 - $1,390) was payable at year-end.

(in thousands of dollars)

13. Related party transactions (continued)

The Commission has a $60,000 revolving, unsecured line of credit with the Province of Nova Scotia that matures on March 31, 2025. No amounts were drawn from the line during the year ended March 31, 2022 and no interest or other charges incurred.

The Commission collects toll revenue from the province and the City of Halifax and makes purchases from the City of Halifax in the normal course of business.

14. Pension plans

The Commission is a Nova Scotia Public Service Superannuation Plan (PSSP) employer, which is a defined benefit plan. Eligible employees of the Commission are PSSP members and the Commission matches employee contributions to the PSSP calculated as 8.4% on eligible earnings up to the year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan (CPP), and 10.9% on eligible earnings that is in excess of YMPE. The actuarial and investment risk of the PSSP is administered by Public Service Superannuation Plan Trustee Inc. The Commission is not responsible for any unfunded liability with respect to the PSSP and accounts for the contributions as a defined contribution plan.

The Commission recognized pension expense of $266 for the period ended March 31, 2022 (2021 - $242). No future contributions are required in respect of past service at March 31, 2022.

15. Other Liabilities

	2022	2021
Accrued employee future benefits	$ 3	$ 3
Unearned revenue	32	34
	$ 35	$ 37

(in thousands of dollars)

16. Fair value measurement

The fair value of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows:

	March 31, 2022				March 31, 2021			
	Carrying value	Fair value Level 1	Fair value Level 2	Fair value Level 3	Carrying value	Fair value Level 1	Fair value Level 2	Fair value Level 3
Assets								
Cash	$ 9,689	$ 9,689	$ –	$ –	$ 12,609	$ 12,609	$ –	$ –
Receivables	$ 809	$ –	$ 809	$ –	$ 173	$ –	$ 173	$ –
Restricted assets	$ 15,377	$ –	$ 15,377	$ –	$ 15,069	$ –	$15,069	$ –
Liabilities								
Trade and other payables	$ 6,324	$ –	$ 6,324	$ –	$ 4,746	$ –	$ 4,746	$ –
Long Term Debt	$145,000	$145,000	$ –	$ –	$151,000	$151,000	$ –	$ –

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for theasset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

17. Commitments

The Commission has entered into contracts for the 2022-2023 fiscal year for the continued maintenance and capital improvement of the bridges, toll systems and related computer networks in the amount of $10,066.

	2023	2024	2025	2026	2027
Contract obligations	$ 298	$ 281	$ 284	$ 286	$ 271
Capital contract obligations	9,768	–	–	–	–
Total contract obligations	$ 10,066	$ 281	$ 284	$ 286	$ 271

18. COVID-19 impact

Since December 31 2019, the spread of COVID-19 has severely impacted many local economies around the globe. Many businesses are being forced to cease or limit operations for long or indefinite periods of time. On March 22, 2020, the Province of Nova Scotia declared a state of emergency to help contain the spread of COVID-19, in addition to travel bans, quarantines, social distancing, and closures of non-essential services. The state of emergency continued through most of fiscal 2022, ending March 20, 2022. Various restrictions during the fiscal year ended March 31, 2022 have reduced the level of vehicular traffic on the Angus L. MacDonald Bridge and the A. Murray MacKay Bridge with a corresponding reduction in toll revenue to the Commission.

19. Subsequent event

On May 31, 2022, the Commission drew $5,000,000 on the line of credit facility with the Province of Nova Scotia. The advance has a maturity date of August 31, 2022 and bears interest at the arithmetical average of the discount rates on Canadian Dealer Offered Rate (CDOR) Banker’s Acceptances applicable at maturity.

Board Members

+ Vicki Harnish

+ Donna Smith Darrell

+ Chuck Bridges

+ Jennifer LaPlante

+ Bill Book

+ Brian Jessop

+ Janet MacMillan

+ Lindell Smith

+ Sam Austin

Halifax Harbour Bridges
P. O. Box 40, 125 Wyse Rd.
Dartmouth, Nova Scotia, B2Y 3Y2
(902) 463-2800
bridges@hdbc.ns.ca