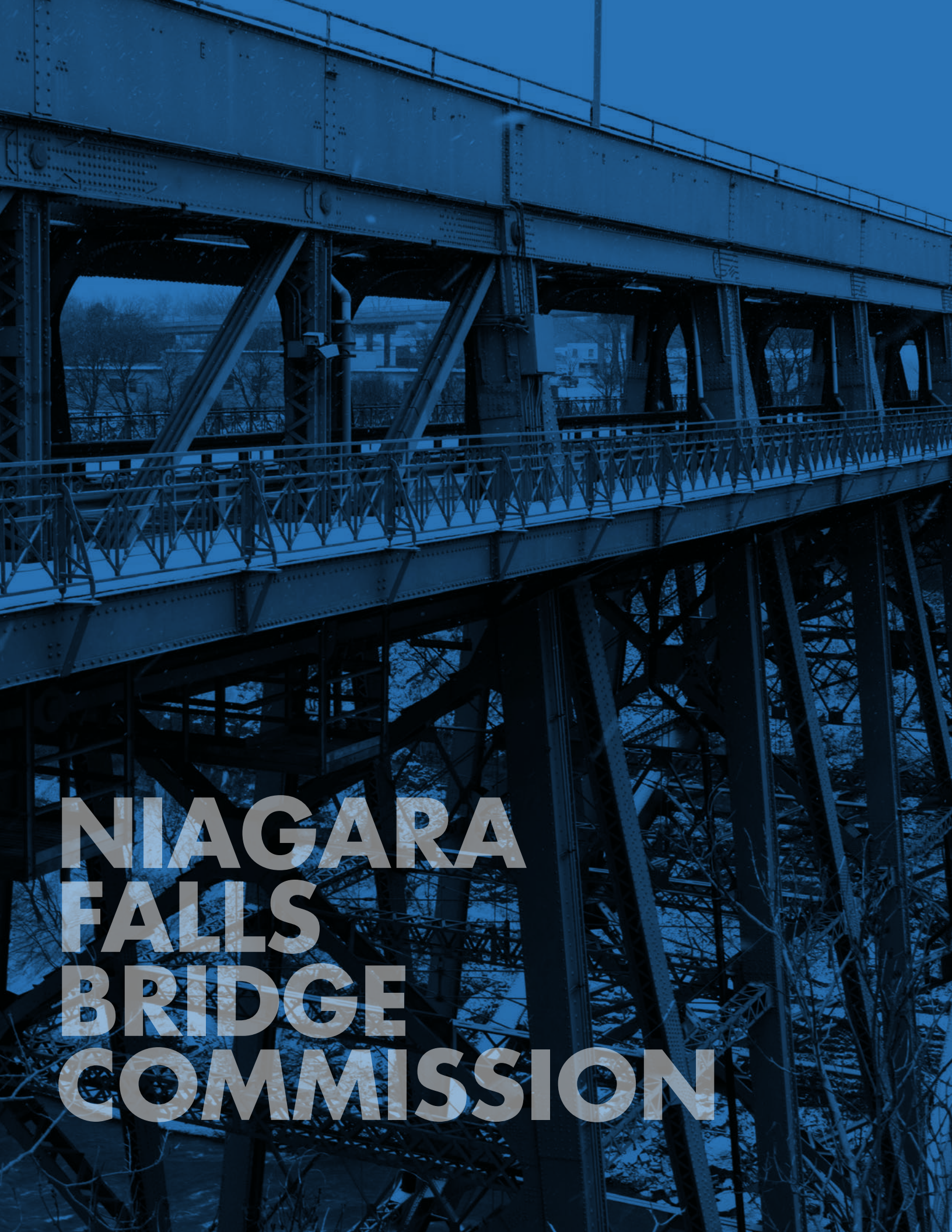


2015

ANNUAL REVIEW NIAGARA FALLS BRIDGE COMMISSION





NIAGARA FALLS BRIDGE COMMISSION

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ABOUT THE NFBC

Entering its 78th year, the Niagara Falls Bridge Commission (NFBC) is the bi-national entity that owns, maintains and operates the Lewiston-Queenston, Rainbow and Whirlpool Rapids (Lower Arch) Bridges. A Joint Resolution of the 1938 U.S. Congressional Third Session and subsequent amendments created the NFBC as currently constituted. The NFBC is licensed to operate by the Extra Provincial Corporations Act of the Province of Ontario, Canada.

The Commission is comprised of an eight-member Board consisting of four American and four Canadian representatives. The American Commissioners serve at the pleasure of the Governor of the State of New York, and the Canadian Commissioners serve at the pleasure of the Premier of the Province of Ontario. All officers hold respective office for one year, until the next annual meeting.

Initially established to finance, construct and operate the Rainbow Bridge, the Commission's efficient and effective management of that bridge led to an extension of responsibilities over the Whirlpool Rapids (Lower Arch) and Lewiston-Queenston Bridges.

With the exception of one-time capital contributions from Canada and Ontario for the fifth lane on the Lewiston-Queenston Bridge and from Canada for the new Canada Border Services Agency facilities at Queenston, the NFBC does not use taxpayer dollars and operates solely through the collection of tolls as well as private and public sector tenant leases. The Commission builds and maintains all facilities for Customs and Immigration functions on both sides of the international border. The NFBC strongly supports

the continued growth of trade and tourism between Canada and the United States through enhancements and investments to ensure the safe, reliable and most efficient flow of goods, services and people over the three international crossings under its auspices.



This publication is produced to comply with the reporting requirements of the Niagara Falls Bridge Commission's enabling legislation which states, "An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing and operating the same, and the daily tolls collected shall be kept and shall be available for the information of all persons interested." The financial data contained herein has been taken from the NFBC's 2015 audited financial statements.

OUR MISSION

To build, maintain and operate lower Niagara River border crossings to facilitate commerce and the movement of goods and people in a safe and efficient manner.

OUR VISION

The Niagara Falls Bridge Commission is a unique self-financing, bi-national, public benefit organization, which delivers superior cross border value to its stakeholders.

2015 BOARD OF COMMISSIONERS



KATHLEEN L. NEVILLE

Chairperson



LINDA L. McAUSLAND

Vice Chairperson



RUSSELL G. QUARANTELO



JOHN A. LOPINSKI



HARRY R. PALLADINO



MARCIA T. HEIT



FRANCIS A. SODA



ERNEST K. SMITH



LEWISTON-QUEENSTON BRIDGE

WHAT'S NEW

In 2015, work continued on the first phase of the Lewiston Plaza expansion and renovation project. This phase includes the relocation of the extension of Interstate 190 to the north as it crosses the plaza, demolition of the old Duty Free store, construction of a new Duty Free store, a new Information Technology (IT) utility ring around the exterior of the plaza and IT building, and relocation and upgrade of the electrical supply to the plaza. The NFBC also provided support for the creation of an enclosed play area for Mount St. Mary's Hospital's Child Care Centre, which is located adjacent to the Lewiston Plaza. Work on that structure is now under construction. The new Duty Free building officially opened in August 2015, and the remaining first phase work is scheduled for completion this coming summer.



Within the Queenston Plaza, a parking garage asphalt and waterproofing membrane replacement project was also undertaken on the upper deck and in areas of the lower deck this past year.

HISTORY OF THE SPAN

The Lewiston-Queenston Bridge, which has the 5th highest volume of commercial traffic between Canada and the United States, celebrated its 52nd Anniversary in 2015. With millions of dollars in trade value crossing over the bridge each hour, representing thousands of jobs for both countries, the span remains the preferred border crossing for the hundreds of thousands of tourists who visit Niagara-on-the-Lake and various Niagara Falls (NY) shopping destinations every year.

RAINBOW BRIDGE

WHAT'S NEW

On June 26, 2015, the Commission unveiled a \$4.5 million renovation to the Rainbow Bridge Canada bus processing facility. The renovation was necessitated due to the outdated and undersized capacity of the existing facility, which contributed to limited efficiency, increased wait times and a negative economic impact on Niagara Falls tourism. Renovations encompassed a first floor addition to expand space for the Canada Border Services Agency's existing bus processing area, new basement space to house relocated boilers and equipment, exterior canopy modifications and road realignment to allow for additional bus parking. The effort also included the provision of temporary bus processing facilities on the north side of the plaza.

HISTORY OF THE SPAN

Opened in 1941, just 1,000 feet downriver from the American Falls, the Rainbow Bridge continues to be a major tourism gateway between Canada and the United States, generating tens of millions of dollars of economic activity on both sides of the border. Offering 18 Customs inspection booths in New York and 16 in Ontario, the Rainbow Bridge is open 24 hours a day to passenger vehicles and buses. No commercial vehicles are allowed on the Rainbow Bridge.



WHIRLPOOL RAPIDS (LOWER ARCH) BRIDGE

WHAT'S NEW

The Commission continued to evaluate and advance efforts to strategically expand and modernize the Whirlpool Rapids Bridge U.S. plaza in 2015, with substantial progress made in a number of areas including action planning, environmental review and property analysis. Such efforts are aligned with the NFBC's mission of facilitating the efficient movement of goods and people.

HISTORY OF THE SPAN

The oldest of the three spans under the auspices of the NFBC, the Whirlpool Rapids Bridge was opened in 1897 and purchased by the Commission in 1959. The two deck steel arch bridge spans 550 feet with a total length of 1069 feet and soars 225 feet above the Niagara Rapids. The upper deck is dedicated for rail crossings, while the lower roadway is dedicated to NEXUS passenger vehicles only.



2015 YEAR REVIEW HIGHLIGHTS

TRAFFIC VOLUME

Westbound/toll-paying automobile traffic at NFBC bridges was down 13.9% for the 2015 fiscal year, while commercial truck traffic increased by 1.7%. This compares to a decrease of 5.9% in automobile traffic and an increase of 5.1% for commercial truck traffic in 2014.

LEWISTON-QUEENSTON BRIDGE TOWER PAINTING & ELECTRICAL UPGRADES

Substantial progress was made on the completion on full containment and removal of lead paint inside the Queenston steel towers, at an estimated cost of \$2.7 million, which included electrical lighting and air venting inside the towers.

LEWISTON MAINTENANCE BUILDING & UPPER MOUNTAIN ROAD PROPERTY

The Commission approved the design and construction of new, off-site maintenance and equipment storage building to replace the 1960s-era facility currently located on the Lewiston Plaza. The new building will be situated on NFBC-owned lands on Upper Mountain Road, in order to accommodate the future construction of new U.S. Customs and Border Protection and U.S. Food and Drug Administration commercial vehicle inspection facilities on the Lewiston Plaza. Construction commenced in October 2015 and the facility is scheduled to be completed in September 2016 at a cost of \$11.6 million.

LEWISTON PLAZA BOILER & ROOF REPLACEMENT

The U.S. Customs and Border Protection Administration and Secondary Processing Building's boilers reached the end of their utility and were replaced in 2015. The roof on the Commercial Warehouse was also replaced. Both projects were completed in November 2015 at a cost of \$825,000.

NIAGARA RIVER GORGE ROCK REMEDIATION

A design consultant was selected by the Commission to examine and advise on rock remediation and stabilization in the Niagara River Gorge near the Whirlpool Bridge (on the U.S. and Canada sides) and at the Rainbow Bridge (on the U.S. side). Work is scheduled to begin in Spring 2016 at an estimated cost of \$2.3 million.

INFORMATION TECHNOLOGY

The Commission successfully implemented a number of information technology upgrades and system improvements this past year to streamline operations and make border travel more efficient for motorists and commercial carriers, by most notably:

- Adding 28 facility security cameras and 8 access control doors, as well as retrofitting 5 existing analog cameras, and replacing aging digital storage for video retention at the Rainbow Bridge and Whirlpool Rapids Bridge plazas.
- Implementing a temporary parking garage occupancy tracking solution to assist with Queenston parking lot rehabilitation, mitigating Canada Customs parking issues during construction.
- Automating the 1-800 telemessage recording, with improvements to the traffic log application and integration with automated wait time calculations at Lewiston-Queenston.

- Integrating the truck/car split at Queenston E-ZPass with the existing toll system, and developed new processes for auditing and correcting transactions.
- Replacing Lewiston-Queenston border wait time cellular communications with NFBC's internal communications, to improve system stability.
- Examining the concept of a "light curtain" for better vehicle separation when traffic is congested.

AGENCY RELATIONS & SECURITY

Several agency relations and security related items and activities were also addressed in 2015, including:

- Support and limited traffic disruption for the cross border Torch Run, Indian Defense League of America Crossing, Annual Tug of War, Ride for Roswell and Buffalo Bills Believe – Living Ribbon.
- Participation in the launch of a motor coach advanced arrival notification system to provide motor coaches with a self-regulation tool for arrivals.
- Enhancement of border wait times sensors to offer better reliability and eliminate the reliance on the cellular network.
- Development of an infectious disease protocol with U.S. Customs and Border Protection and Canada Border Services Agency, which was then tested during a live simulation.
- Support for NEXUS Niagara to continue promoting "trusted travel" through flyer distribution, advertising and informational booths at key locations.
- Staff chairing of the NITTEC border crossing committee to examine such items as the Pan American Games, the Canadian Motor Speed Way, cross border action plans, border wait times and motor coach processing.

BEYOND THE BORDER

NFBC continues to participate in discussions with Transport Canada on ongoing implementation of the Canada – U.S. Border Infrastructure Investment Plan (BIIP), an effort based on President Barack Obama and former Prime Minister Stephen Harper's 2011 Beyond the Border Accord and subsequent Perimeter Security and Economic Competitiveness Action Plan.

Transport Canada, Canada Border Services Agency, U.S. Department of Transportation and U.S. Customs and Border Protection developed the BIIP as a way to enhance security by addressing threats earlier, improving cross border law enforcement and developing new infrastructure and cybersecurity capacities.

The BIIP is focused on the five Canadian and four U.S. priority border crossings and corresponding ports of entry opposite each of the crossings.

SCHOLARSHIP WINNERS

Each year, the NFBC awards scholarships to dependents of current Commission employees, following a competitive application process. The scholarship recipients are selected based on the criteria of scholastic standing, individual achievement, and participation in extracurricular activities. Candidates must also be entering freshman year of an accredited post-secondary educational institution or program.



**SKYLER
SUMMERSON**
U.S.



**CHANTAL
ROSS**
Canada



**MARIA
KAJDASZ**
U.S.

COMMUNITY SPONSORSHIPS

In 2015, the NFBC supported a number of local not-for-profit organizations and cultural attractions, using funds generated by tenant leases through the donation of \$62,100 (USD) and \$62,100 (CDN).

Recipients included:

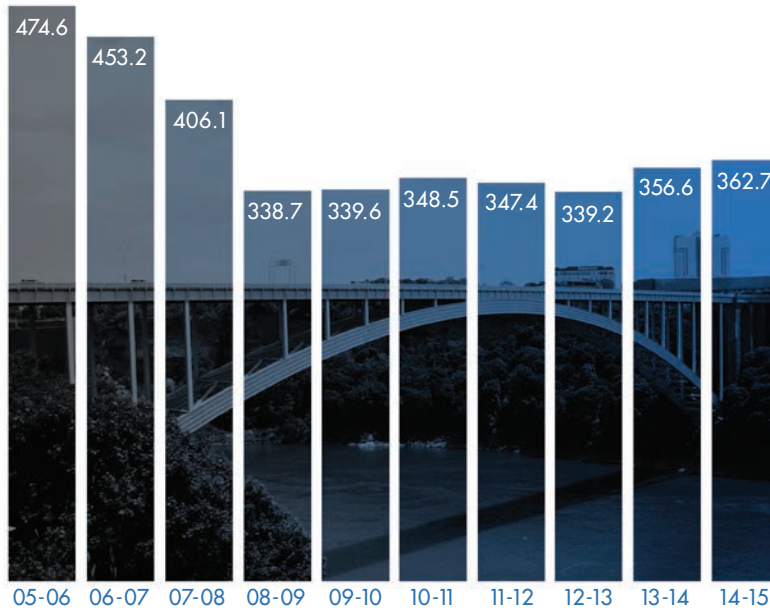
- Aquarium of Niagara
- Artpark
- Canal Bank Shuffle Blues Festival
- CanAm Challenge Regatta
Youngstown Yacht Club
- Crossborder Blues
- Downtown Niagara Falls Business Association
- The Friends of Fort George
- Historic Lewiston Jazz Festival
- Landscape of Nations
War of 1812 Bicentennial Committee
- Lewiston Council on the Arts Inc.
- Lewiston Garden Club
- Music Niagara
- The Niagara County Historical Society
- Niagara Festival & Entertainment Group
- Niagara Historical Society & Museum
- Niagara-on-the-Lake Chamber of Commerce
Visitor & Convention Bureau
- Niagara Police Athletic League
- Niagara University
- Old Fort Niagara Association
- Ontario Power Generation Winter Festival of Lights
- Sanborn Area Business & Professional Association
- Sanborn Area Historical Society
- Shaw Festival Theatre
- Wineries of Niagara-on-the-Lake



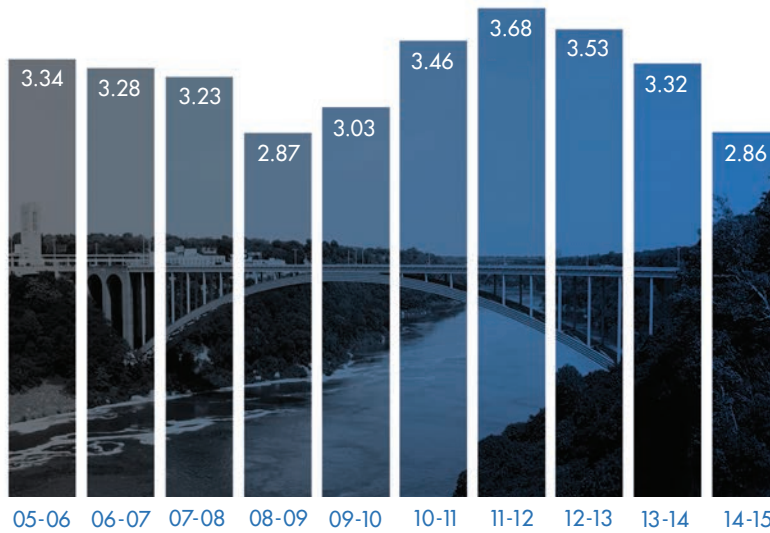
NFBC Commissioner Ernie Smith with Artpark representatives Maureen Kellick and George Osborne

TRAFFIC STATISTICS

10 YEAR WEST-BOUND TRUCK TRAFFIC IN THOUSANDS



10 YEAR WEST-BOUND AUTO TRAFFIC IN MILLIONS



INCOME & EXPENSES

INCOME

Construction Reimbursement **\$5,587,538**

Other Income **\$1,874,837**



Toll Income **\$18,054,132**

Rental Income **\$11,076,138**

EXPENSES

Security & M.I.S. **\$1,596,899**

Other **\$1,305,708**

Toll **\$2,453,054**



Maintenance **\$4,910,843**

Administration & Overhead **\$5,747,799**

Interest **\$2,619,917**

Depreciation **\$9,211,308**

FINANCIALS

ASSETS

2015
2014

Current Assets			
Cash & Cash Equivalents	\$	13,508,177	17,160,213
Accounts Receivable		2,981,140	1,949,403
Prepaid Expenses		450,648	399,071
Investments		27,656,598	33,980,796
Total Current Assets	\$	44,596,563	53,489,483
Noncurrent Assets			
Investments	\$	51,367,080	58,881,433
Land, Bridges, Buildings & Equipment, Net		274,459,452	299,610,626
Construction In Progress - 30 Year Plan		15,821,275	5,491,951
Construction In Progress - Other		16,314,103	14,879,337
Total Assets	\$	402,558,473	432,352,830

LIABILITIES & UNRESTRICTED NET ASSETS

Current Liabilities			
Current Portion of Bonds Payable	\$	5,800,000	6,750,000
Current Portion of Postretirement Benefit Obligation		500,993	406,204
Accounts Payable		4,619,614	4,960,640
Accrued Wages & Related Withholdings		1,125,130	1,119,752
Other Accrued Expenses		195,467	174,282
Bond Interest Payable		196,508	220,310
Deferred Income		1,020,693	1,196,064
Total Current Liabilities	\$	13,458,405	14,827,252
Noncurrent Liabilities			
Postretirement Benefit Obligation	\$	19,684,698	19,293,998
Bonds Payable, Net		53,199,651	58,812,956
Total Liabilities	\$	86,342,754	92,934,206
Unrestricted Net Assets			
Revenue	\$	813,548	898,833
Operation		(21,465,413)	(19,915,072)
General		41,689,318	45,430,716
Renewal & Replacement		(1,073,363)	(3,083,946)
Debt Sinking		3,861,744	3,813,630
Construction		296,436,914	284,628,501
		320,262,748	311,772,662
Cumulative Effect of Currency Translation		(4,047,029)	27,645,962
Total Unrestricted Net Assets	\$	316,215,719	339,418,624
Total Liabilities & Unrestricted Net Assets	\$	402,558,473	432,352,830

2015**2014****Revenues**

Toll Income	\$	18,054,132	18,907,064
Rental Income		11,076,138	12,171,189
Construction Reimbursement		5,587,538	2,641,963
Investment Income, Net		1,729,712	2,071,198
Misc.		145,125	150,450
Total Revenues	\$	36,592,645	35,941,864

Expenses

Administration & Overhead	\$	5,747,799	5,968,488
Maintenance		4,910,843	5,132,965
Toll		2,453,054	2,517,990
Management Information Systems		845,222	850,734
Security		751,677	850,899
Postretirement		1,097,899	1,677,837
Depreciation		9,211,308	9,710,780
Interest on Indebtedness		2,619,917	1,714,373
Amortization on Bond Financing Expenses		186,695	219,385
Loss on Disposal of Bridge Related Assets		21,114	-
Total Expenses	\$	27,845,528	28,643,451

**Change In Unrestricted Net Assets Before
Unrealized Loss On Investments & Change
In Foreign Currency Translation**

	\$	8,747,117	7,298,413
Unrealized Loss On Investments	\$	(257,031)	(2,699,082)
Change In Foreign Currency Translation	\$	(31,692,991)	(18,731,053)
Change In Unrestricted Net Assets	\$	(23,202,905)	(14,131,722)
Unrestricted Net Assets - Beginning Of Year	\$	339,418,624	353,550,346
Unrestricted Net Assets - End Of Year	\$	316,215,719	339,418,624



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