



Niagara Falls Bridge Commission
ANNUAL REVIEW

2010

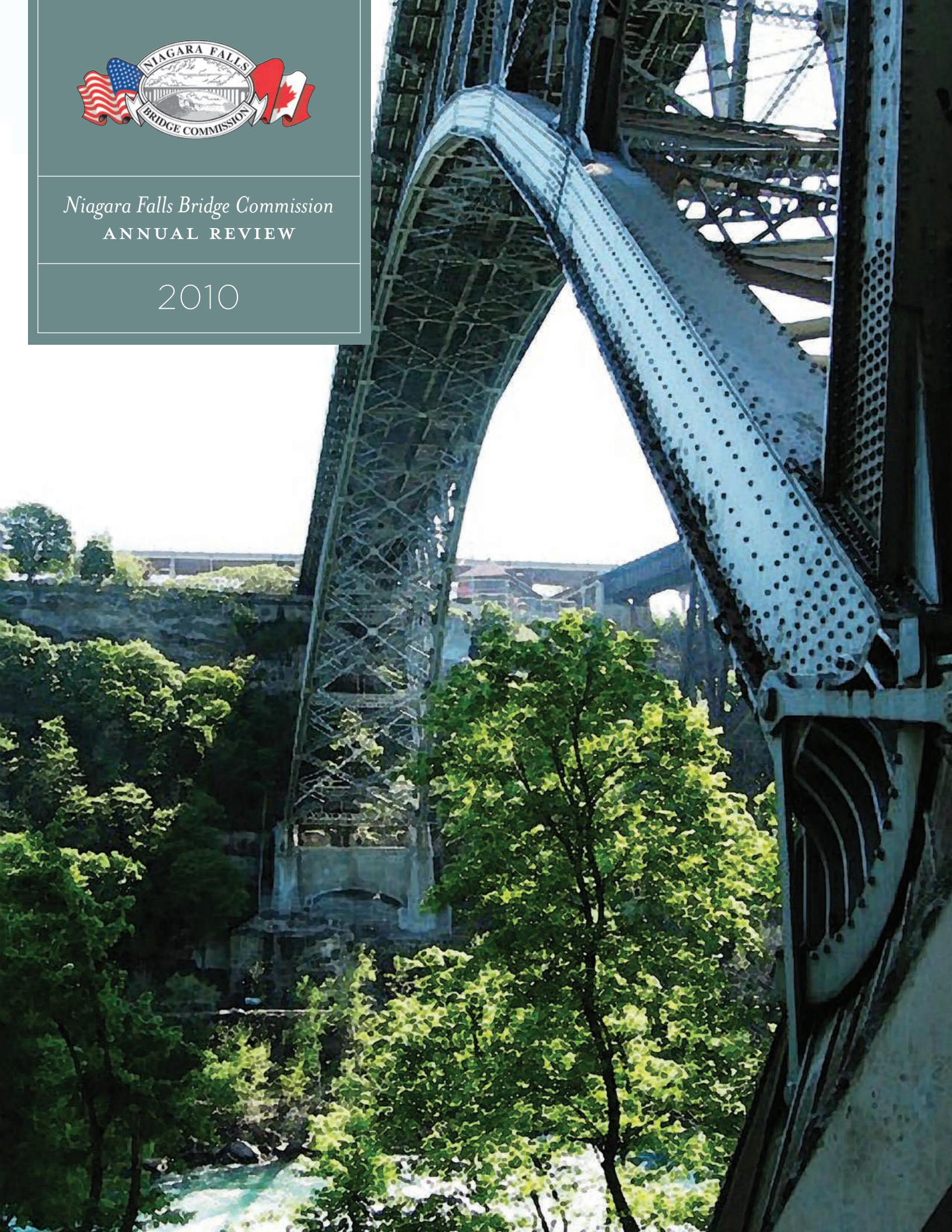


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ABOUT THE NFBC

Marking its 72nd year, the Niagara Falls Bridge Commission is the international entity that owns, operates and manages the Lewiston-Queenston, Rainbow and Whirlpool-Rapids bridges. The Commission was created by a Joint Resolution of the 1938 U.S. Congressional Third Session and 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 Canadian and four U.S. representatives. The U.S. Commissioners serve at the pleasure of the Governor of the State of New York, and Canadian Commissioners serve at the pleasure of the Premier of the Province of Ontario. All officers hold their respective office for one year until the next annual meeting.

Initially established to finance, construct and operate the Rainbow Bridge, the Commission, because of its efficient and effective management of that bridge, assumed responsibilities for the Whirlpool-Rapids (Lower Arch) and Lewiston-Queenston bridges.

The Niagara Falls Bridge Commission operates through the collection of tolls as well as private and public-sector tenant leases. The Niagara Falls Bridge Commission builds and maintains all facilities for Customs and Immigration functions on both sides of the international border. The Commission strongly encourages the continued growth of trade and tourism between Canada and the United States through enhancements and investments to ensure the safest 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 Commission's 2010 audited financial statements.

2010 BOARD *of* COMMISSIONERS



KENNETH E. LOUCKS | *Chairperson*



PATRICK D. BROWN | *Vice Chairperson*



MICHAEL J. GOODALE | *Secretary*



THOMAS G. PRYCE | *Treasurer*



JANICE A. THOMSON



LINDA M. DIPASQUALE



NORMA I. HIGGS



ERNEST K. SMITH



2010 Board of Commissioners

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.

NIAGARA CROSSINGS



WHIRLPOOL-RAPIDS (LOWER ARCH) BRIDGE

The oldest of the three spans under the auspices of the Niagara Falls Bridge Commission, the Whirlpool-Rapids Bridge was built in 1897 and was purchased by the Commission in 1959. The two deck, steel arch bridge spans 550 feet with a total length of 1,069 feet and soars 225 feet above the Niagara Rapids. The upper deck is dedicated for rail crossings, while the lower roadway is dedicated to passenger vehicles only.

In addition, the Whirlpool-Rapids Bridge is a NEXUS-only crossing, providing passenger vehicles enrolled in the NEXUS “trusted traveler” program a quick and easy crossing, averaging less than a minute. NEXUS is a joint program implemented by the Canada Border Services Agency (CBSA) and United States Customs and Border Protection (CBP) designed to expedite the border clearance process for low-risk, pre-approved travelers between the two countries. The Whirlpool-Rapids Bridge is open daily from 7 a.m. to 11 p.m.

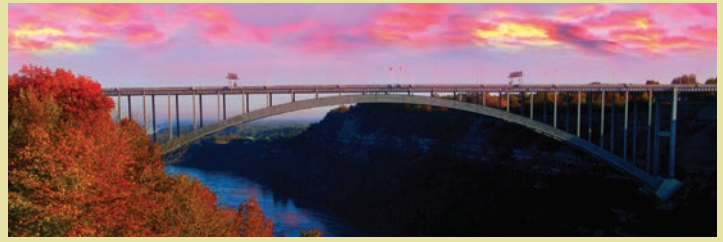
Since 2008, the Niagara Falls Bridge Commission has invested \$25 million to re-paint the Whirlpool-Rapids Bridge and repair structural steel deficiencies to ensure its continued longevity.

LEWISTON-QUEENSTON BRIDGE

Having the distinction of being the world’s largest hinge-less steel arch bridge, the Lewiston-Queenston Bridge has the fourth highest volume of commercial traffic between Canada and the United States, with millions of dollars in trade value crossing over the bridge each hour, representing thousands of jobs for both countries. Built in 1962, the bridge spans 370 feet above the Niagara River, measures 1,600 feet long and features five lanes. The Lewiston-Queenston Bridge connects United States Interstate 190 with Highway 405 in Canada, making it an optimal crossing for both passenger vehicles and commercial trucks.

In 2009, Phase I of the reconstruction of the Canadian Plaza of the Lewiston-Queenston Bridge was completed at the cost of \$49 million, and consisted of expanding the footprint of the entire plaza, the construction of a new toll house and the addition of five new commercial inspection lanes. Phase II of the reconstruction of the Canadian Plaza, a \$78 million investment in new Canada Food Inspection Agency and Canada Border Services Agency facilities, including 10 new primary vehicle inspection booths, is now nearing completion.





RAINBOW BRIDGE

Built 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 activity on both sides of the border. Offering 18 traffic lanes in New York and 16 in Ontario to facilitate flow of traffic for governmental inspections, the Rainbow Bridge is open 24 hours a day to passenger vehicles and buses. No commercial vehicles are allowed on the Rainbow Bridge. Once the largest hinge-less arch bridge in the world—until surpassed by the Lewiston-Queenston Bridge in 1962—the deck of the Rainbow Bridge is approximately 202 feet above the Niagara River. It is 1,450 feet long with two two-laned 22-foot roadways. The bridge received a \$72 million transformation, which was completed in 2000 and entailed both plazas being rebuilt and their approaches widened to increase the efficient movement of traffic on the bridge.

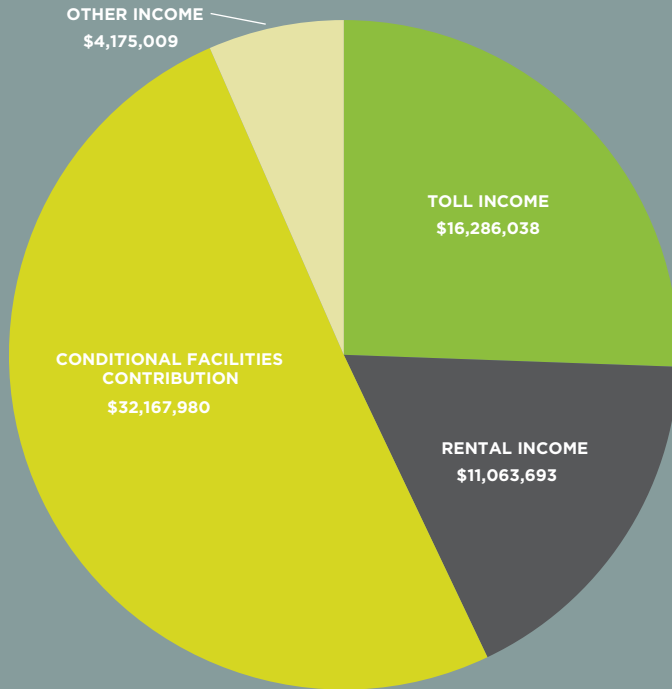
In 2010, work was completed on the bridge re-decking and finger-joint replacements. Stone repairs on the archway over River Road were also completed.

YEAR IN REVIEW HIGHLIGHTS

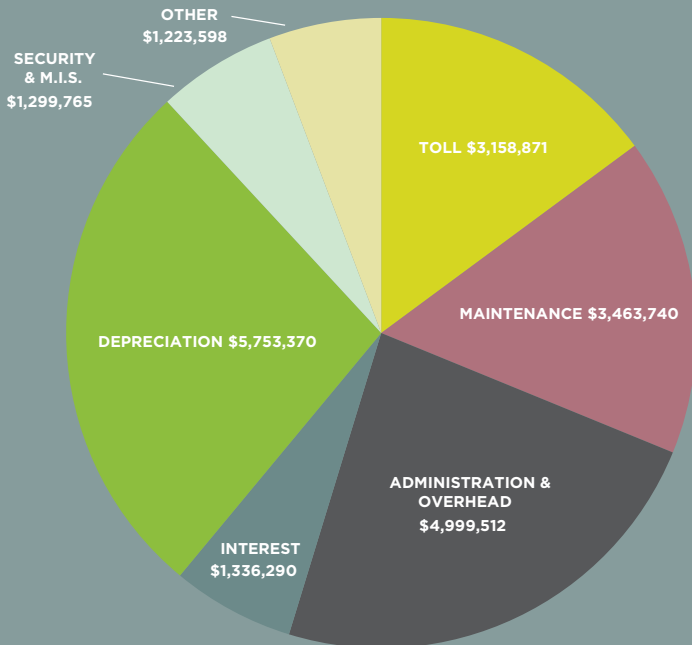
FINANCIAL OVERVIEW

Exhibit A

2009-2010 INCOME



2009-2010 EXPENSES



1. CLOSING IN OF PHASE II, QUEENSTON PLAZA

- A modern two-storey, 10,313-sq. m. (110,000-sq. ft.) Canada Border Services Agency Administration and Processing Facility. This was built utilizing sustainable design features such as light colored concrete paving, natural light in regularly used areas, and high efficiency boilers, walls, glass and water usage.
- A new 568-sq. m. building (6,100-sq. ft.) that will house the Canada Food Inspection Agency facilities.
- Ten new primary vehicle inspection booths, increasing the number of inspection options for travelers from six.
- The addition of a separate inspection area for bus travelers.
- 2,271-sq. m. (24,445-sq. ft.) of newly designed secondary inspection area.
- Addition of a new designated NEXUS lane.

Similar to the Queenston Plaza, the Lewiston Port of Entry was also built in the early 1960s, and is now outdated and in need of replacement. The new facilities are necessary to increase security, the safety of officers, and expedite the flow of passengers and goods by segmenting traffic into specialized services for efficient processing at



Commissioner Thomson, Minister Nicholson and Commissioner Loucks, Closing-In Ceremony

modern facilities. Replacement of the Lewiston Plaza is the next major capital project for the Niagara Falls Bridge Commission. It is, however, contingent on a workable lease agreement with the U.S. government, and the Commission is making every effort to work with the various government agencies to move this project forward.

2. REPAINTING AND STRUCTURAL STEEL REPAIRS AT THE WHIRLPOOL BRIDGE

At the Whirlpool Bridge, which began in 2009, were completed in 2010 at a total cost of \$25 million. These works included removal of lead-based paint, structural steel repairs, installation of new pedestrian walkways and inspection catwalks, stone repairs and complete repainting of the bridge structure. Further work to repair the finger joints and replace the top deck is scheduled for 2011.



3. COMPLETION OF WORK ON RAINBOW BRIDGE



Significant work was completed at the Rainbow Bridge in 2010, which included completion of the top deck and finger joint replacement, pavement rehabilitation (U.S. Plaza), replacement of the guard railing and stone repairs (Canadian Plaza).

YEAR IN REVIEW HIGHLIGHTS

FINANCIAL OVERVIEW

Exhibit B

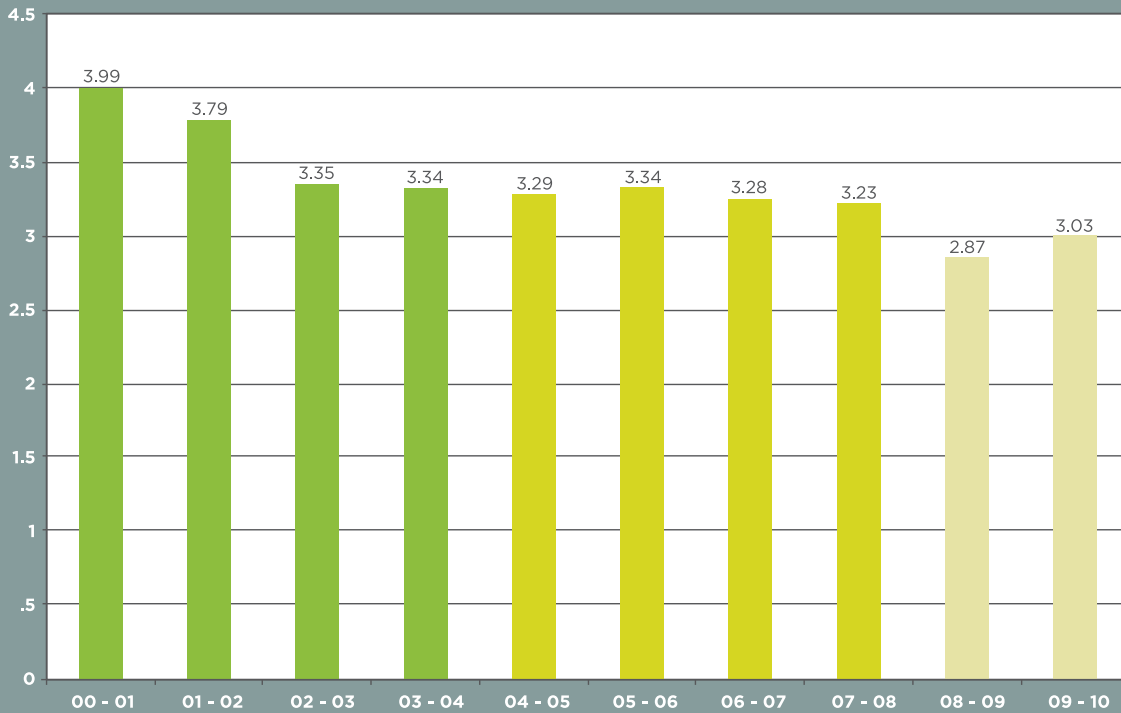
10 YEAR WEST-BOUND TRUCK TRAFFIC

In Thousands



10 YEAR WEST-BOUND AUTO TRAFFIC

In Millions



4. NEW COLLECTIVE AGREEMENTS have been signed with both the U.S. and Canadian unions which allow the NFBC to continue to efficiently operate and maintain its bridges and supporting facilities.

5. TRAFFIC VOLUMES declined significantly in 2008 and did not improve for 2009 or the better part of 2010. This was mainly attributable to a less-than-favorable economic climate. Traffic volumes are now modestly recovering, but the traffic mix (commercial trucks versus passenger vehicles) is changing, which has revenue ramifications on a go-forward basis.

The Niagara Falls Bridge Commission annually donates \$50,000 U.S. and \$50,000 CDN to various not-for-profit organizations in local communities adjacent to the Commission's three bridges such as Artpark, the Shaw Festival, Friends of Fort George and the Lewiston Jazz Festival.

*Further details may be found on the NFBC's website at **NIAGARAFALLSBRIDGES.COM** under "bridge info/documents and reports."*

Dick Krull Memorial Scholarship Winners:



Featured in picture (left to right): NFBC Chair Ken Loucks, CDN scholarship winner Andrea Paquette, U.S. scholarship winner Paige White, NFBC Vice Chair Pat Brown.

The NFBC awards two scholarships annually to both a Canadian and United States dependent of a full-time Commission employee. The candidate must be entering the freshman year of an accredited post secondary program, and is awarded based on scholastic standing, achievements and extracurricular activities.

NIAGARA FALLS BRIDGE COMMISSION

**STATEMENTS OF FINANCIAL POSITION
OCTOBER 31, 2010 AND 2009**

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,803,403	\$ 14,482,556
Accounts receivable	6,261,143	3,978,770
Prepaid expenses	364,767	356,782
Investments	6,157,718	13,721,355
Total current assets	<u>18,587,031</u>	<u>32,539,463</u>
NONCURRENT ASSETS:		
Investments	66,477,471	56,961,480
Land, bridges, buildings and equipment, net	205,746,399	186,546,087
Construction in progress - 30-year plan	906,821	895,246
Construction in progress - other	<u>106,715,969</u>	<u>78,674,943</u>
Total assets	<u>\$ 398,433,691</u>	<u>\$ 355,617,219</u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
CURRENT LIABILITIES:		
Current portion of bonds payable	\$ 5,495,000	\$ 5,220,000
Current portion of postretirement benefit obligation	246,781	236,548
Accounts payable	8,915,307	8,296,875
Accrued wages and related withholdings	1,040,325	1,116,299
Other accrued expenses	393,647	413,699
Bond interest payable	211,774	261,802
Deposits payable	35,592	766,628
Deferred income	893,878	349,059
Total current liabilities	<u>17,232,304</u>	<u>16,660,910</u>
NONCURRENT LIABILITIES:		
Postretirement benefit obligation	14,223,299	13,079,969
Interest rate swap	-	6,220,251
Bonds payable, net	<u>48,641,369</u>	<u>54,246,930</u>
Total liabilities	<u>80,096,972</u>	<u>90,208,060</u>
UNRESTRICTED NET ASSETS:		
Revenue	753,430	1,499,351
Operation	(14,588,489)	(13,567,483)
General	38,407,853	53,688,172
Renewal and replacement	(2,141,875)	(5,579,088)
Debt sinking	5,999,138	(6,438,582)
Construction	<u>237,082,349</u>	<u>193,309,392</u>
	265,512,406	222,911,762
Cumulative effect of currency translation	52,824,313	42,497,397
Total unrestricted net assets	<u>318,336,719</u>	<u>265,409,159</u>
Total liabilities and unrestricted net assets	<u>\$ 398,433,691</u>	<u>\$ 355,617,219</u>

NIAGARA FALLS BRIDGE COMMISSION

**STATEMENTS OF ACTIVITIES AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEARS ENDED OCTOBER 31, 2010 AND 2009**

	2010	2009
REVENUES:		
Toll income	\$ 16,286,038	\$ 15,199,771
Rental income	11,063,693	10,150,848
Conditional facilities contribution	32,167,980	5,278,927
Investment income	3,986,113	3,818,191
Miscellaneous	188,896	177,744
Total revenues	<u>63,692,720</u>	<u>34,625,481</u>
EXPENSES:		
Administration & overhead	4,999,512	4,862,800
Maintenance	3,463,740	3,187,102
Toll	3,158,871	2,813,232
Management information systems	796,273	771,844
Security	503,492	462,023
Postretirement	979,233	1,711,829
Depreciation	5,753,370	5,332,777
Interest on indebtedness	1,336,290	5,090,098
Amortization of bond financing expenses	244,365	221,189
Loss on disposal of asset	-	178,269
Total expenses	<u>21,235,146</u>	<u>24,631,163</u>
CHANGE IN UNRESTRICTED NET ASSETS BEFORE UNREALIZED GAIN ON INVESTMENTS AND CHANGE IN FOREIGN CURRENCY TRANSLATION	42,457,574	9,994,318
UNREALIZED GAIN ON INVESTMENTS	143,070	4,066,061
CHANGE IN FOREIGN CURRENCY TRANSLATION (See Note 2)	<u>10,326,916</u>	<u>20,769,376</u>
CHANGE IN UNRESTRICTED NET ASSETS	52,927,560	34,829,755
UNRESTRICTED NET ASSETS - beginning of year	<u>265,409,159</u>	<u>230,579,404</u>
UNRESTRICTED NET ASSETS - end of year	<u>\$ 318,336,719</u>	<u>\$ 265,409,159</u>



UNITED STATES

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