


Niagara Falls Bridge Commission

2014 ANNUAL REVIEW



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In 2014, the NFBC introduced the E-ZPass toll program at the Rainbow, Whirlpool and Lewiston-Queenston bridge crossings. E-ZPass supplements the ExpressPass, Commercial ExpressPass and pre-loaded NEXUS/toll card offerings currently available to motorists. The implementation of E-ZPass is another step forward in reducing congestion and toll-lane idling.

ABOUT THE NFBC

Entering its 77th 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 Commission's 2014 audited financial statements.

2014 BOARD OF COMMISSIONERS



Ernest K. Smith
Chairperson



Harry R. Palladino



Kathleen L. Neville
Vice Chairperson



Russell G. Quarantello



Kenneth E. Loucks



Francis A. Soda



Linda L. McAusland



Janice A. Thomson



2014 NFBC Board of Commissioners with General Manager Lew Holloway.

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

SPAN HISTORY

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.

WHAT'S NEW

The Whirlpool Rapids Bridge saw improvements to both the U.S. and Canadian Customs Plazas in 2014. On the U.S. side, technology infrastructure was installed to allow for use of the E-ZPass tolling program. The old primary inspection lane booths were also replaced. Within the Canadian Customs Plaza, two new Primary Inspection Lanes (PILS) were successfully constructed to replace one existing lane to increase processing capacity and facilitate the flow of NEXUS travel at the crossing.

RAINBOW BRIDGE

SPAN HISTORY

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.

WHAT'S NEW

In 2014, the NFBC officially commenced construction of expanded Canadian Customs Plaza motor coach processing facilities. This project is intended to mitigate wait times for buses by increasing inspection efficiency and capacity at this popular tourist bridge crossing. The facility expansion is anticipated for completion in Summer 2015.

LEWISTON-QUEENSTON BRIDGE

SPAN HISTORY

The Lewiston-Queenston Bridge, which has the 5th highest volume of commercial traffic between Canada and the United States, celebrated its 51st Anniversary in 2014. 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.

WHAT'S NEW

Renovations to the Canadian Customs Plaza in Queenston were completed in 2014, and Phase 1 of the Lewiston Plaza rebuild commenced. The updated Queenston plaza facility boasts 15 primary vehicle inspection lanes, including a dedicated NEXUS lane, two truck lanes, three high-lo lanes for flexible processing of both cars and trucks, and extensive landscaping. In addition, the plaza is home to an expansive secondary building and separate animal processing facility, new Duty Free store, rebuilt toll lanes with E-ZPass and ExpressPass payment capabilities, improved maintenance facilities, and extensive landscaping.



On Behalf of The Niagara Falls
Bridge Commission

We are pleased to report on the financial and operational health of the Niagara Falls Bridge Commission (NFBC) and the international bridge spans under our auspices. Knowing that the local citizenry and our elected leaders continue to prioritize border travel needs is a true testament to the integrated nature of our great region.

In 2014, the NFBC advanced numerous projects, technology upgrades, and facility improvements to continue best serving our customers—the traveling public and commercial operators. And we remain diligent in our evaluation of future infrastructure enhancement projects and their potential positive impact on the efficient movement of goods and people at all lower Niagara River border crossings.

This year the NFBC commenced work on bus processing facility upgrades at the Rainbow Bridge Canadian Customs Plaza, installed new primary inspection lanes at the Whirlpool Bridge Canadian Customs Plaza, started enhancement work at the Lewiston-Queenston Bridge U.S. Customs Plaza, added the popular E-ZPass program at all three bridge crossings, and finalized renovations to the Canadian Customs Plaza in Queenston. These improvements are part of our continuing efforts to make the border crossing experience even more reliable and efficient. The NEXUS program has been a huge success with enrollment reaching 1 million members during the last calendar year.

Our sincerest thanks to the border travelers, commercial operators, elected leaders, Customs agencies, local residents, and NFBC Board of Commissioners for their continued support, assistance, and guidance throughout 2014.

We look forward to a successful coming year for both the Commission and its many stakeholders.

Sincerely,

Ernest K. Smith
Chairperson

Lew Holloway
General Manager

THANK YOU FOR YOUR SERVICE

The following employees retired in 2014:

Victor Montalbo
40 years of service

Gord Dodd
38 years of service

Mark Elias
38 years of service

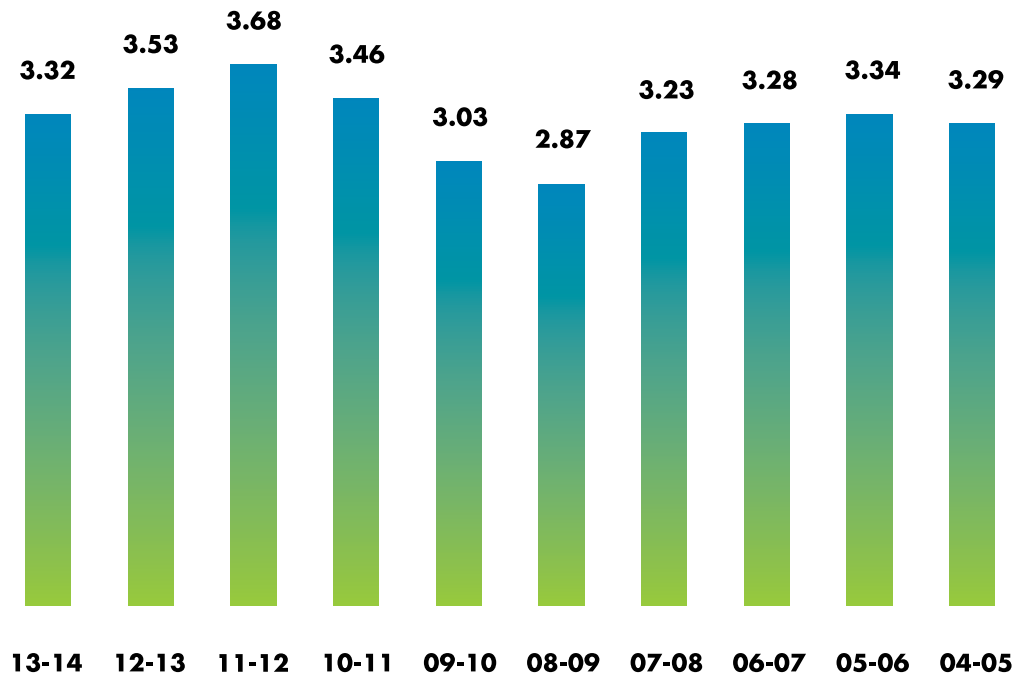
Brent Gallagher
17 years of service

Phil Bray
10 years of service

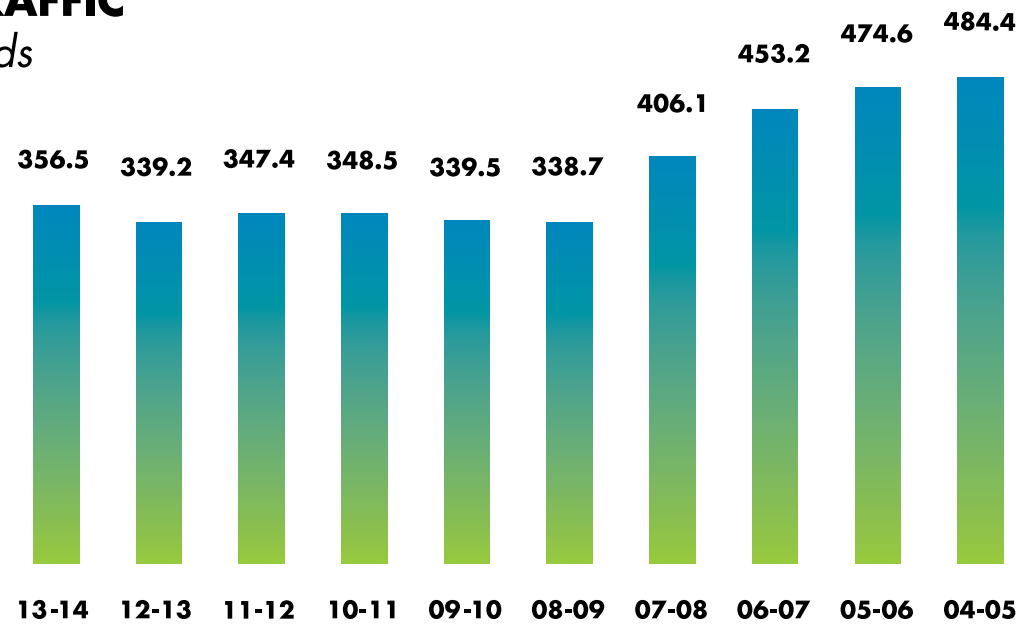


2014 YEAR IN REVIEW HIGHLIGHTS

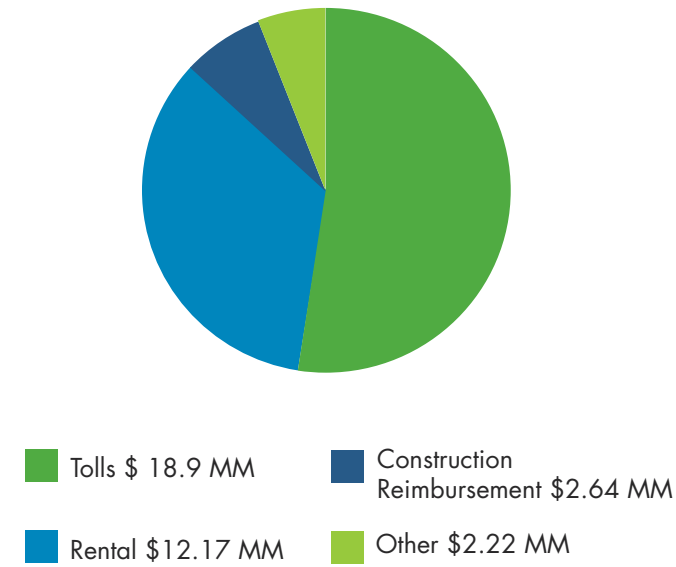
10 YEAR WEST-BOUND AUTO TRAFFIC In Millions



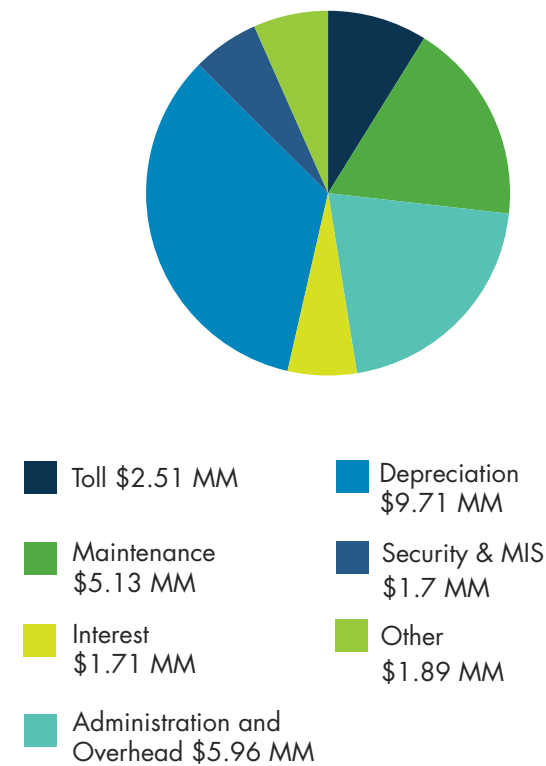
10 YEAR WEST-BOUND TRUCK TRAFFIC In Thousands



2013 - 2014 INCOME



2013 - 2014 EXPENSES



COMMUNITY SPONSORSHIPS

In 2014, the NFBC again supported a number of worthy local not-for-profit organizations and cultural attractions using funds generated by tenant leases through the donation of \$63,000 (USD) and \$63,000 (CDN).

Recipients included:

- Artpark
- Canal Bank Blues Festival Inc.
- Cross Border Blues
- Downtown Niagara Falls Business Association
- Friends of Fort George
- Historical Association of Lewiston
- It Happened to Alexa Foundation
- Lewiston Council on the Arts Inc.
- Lewiston Garden Club
- Lewiston Jazz Festival Inc.
- Music Niagara
- Niagara County Historical Society
- Niagara Festival & Entertainment Group
- Niagara University
- neXt Company Theatre
- Ontario Power Generation Winter Festival of Lights
- Pax Romana
- Sanborn Area Business Association
- Sanborn Business & Professional Association
- Sanborn Area Historical Society
- Shaw Festival
- Wineries of Niagara on the Lake
- Youngstown Tourism and Tours Committee
- Youngstown VFW Post #313



Niagara Falls Blues Festival



Cross Border Blues

2014 YEAR IN REVIEW HIGHLIGHTS

LEWISTON PLAZA

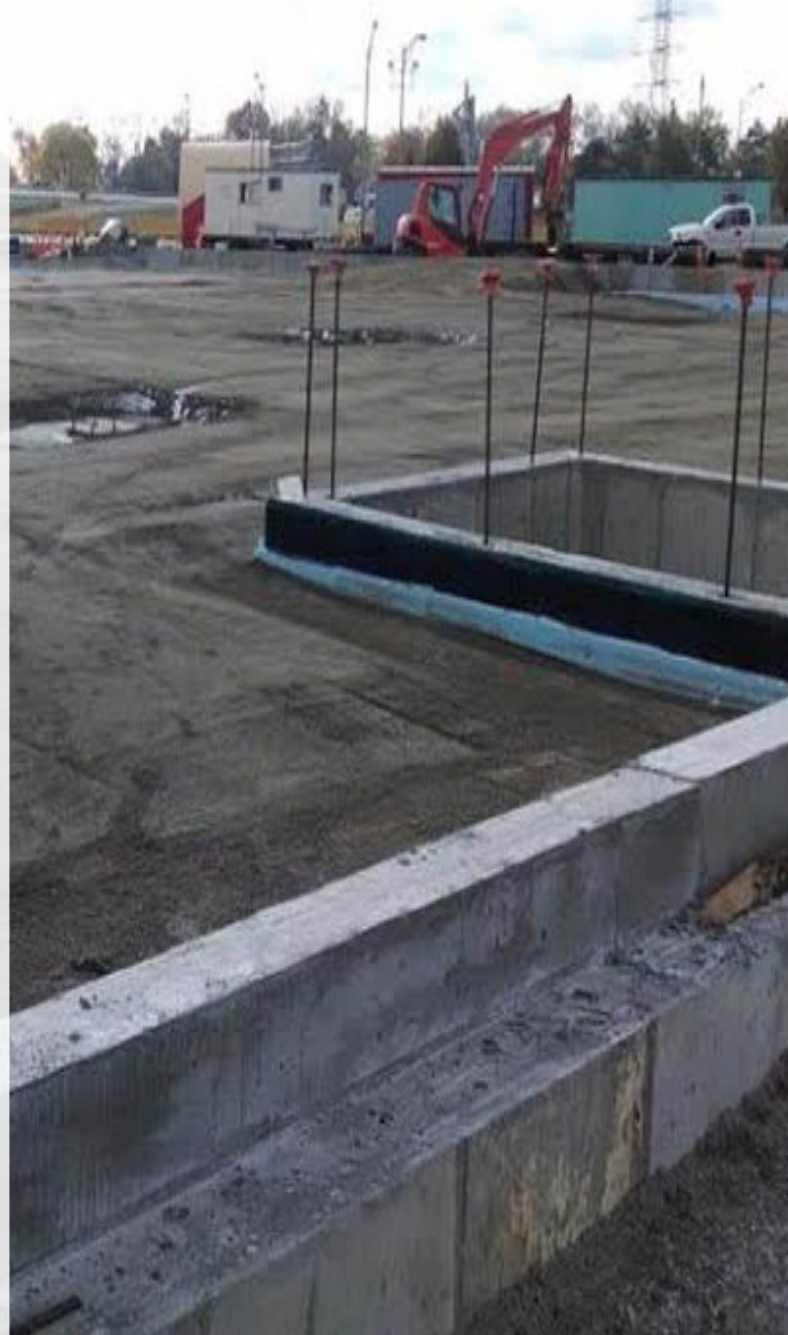
Work on Phase 1 of rebuilding the Lewiston Plaza's priority infrastructure began on September 10, 2014, based on the Commission's 2011 authorization of \$50 million for overhaul of the plaza. Phase 1 includes: the relocation of the extension of Interstate 190 to the north as it crosses the plaza; a new duty free store; demolition of the old duty free store; a new Information Technology (IT) utility ring around the exterior of the plaza; a new IT building; and relocation and upgrade of the electrical supply to the plaza. Phase 1 is anticipated to be completed in Summer 2016. The NFBC continues to hold discussions with various U.S. Federal government agencies and elected officials on a priority basis concerning design and funding for the continuation of the project.

WHIRLPOOL U.S. PLAZA

Negotiations continued to progress in 2014 between the New York State Office of Parks, Recreation and Historic Preservation and the City of Niagara Falls, concerning: the transfer of NFBC land to the city for the completion of the Intermodal Rail Station and Customs House, and the acquisition of New York State land adjacent to the Whirlpool Bridge for future expansion of the U.S. Customs Plaza and primary inspection lanes. Talks will proceed in 2015 in hopes of reaching resolution on the transfer agreement.

EXPANSION OF RAINBOW BRIDGE MOTOR COACH FACILITIES

In August 2014, work began on the expansion of the motor coach processing facilities at the Rainbow Bridge in order to more optimally accommodate increased levels of motor coach traffic. Expansion of the Rainbow Bridge's motor coach facilities within the Canadian Customs Plaza is anticipated to be completed in Summer 2015.



TRAFFIC VOLUME

Westbound (toll paying) automobile traffic crossings at NFBC bridges were down 5.9% for fiscal year 2014, while commercial truck traffic increased 5.1%. This compares to a decrease of 3.2% in automobiles and a decrease of 2.4% for commercial truck traffic in 2013.

BEYOND THE BORDER ACCORD

NFBC maintained its advocacy related to the U.S.-Canada Beyond the Border Accord in 2015 and offered consistent dialogue with Federal agencies and regulators related to traffic flow and funding support for facility upgrades and Customs plaza renovation at various land ports of entry between the countries.



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.



The 2014 winner
Ms. Kendra Agee.



The 2014 winner
Ms. Emily Bartos.



The 2014 winner
Ms. Jenna McNall.



The 2014 winner
Mr. Andrew Phillips.

* 2014 NFBC Scholarship winners not pictured: Ms. Faith Bennett and Ms. Katie Gibson.

ASSETS

	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents	\$ 17,160,213	12,265,734
Accounts receivable	1,949,403	877,233
Prepaid expenses	399,071	619,767
Investments	33,980,796	15,294,428
Total current assets	\$ 53,489,483	29,057,162
NONCURRENT ASSETS:		
Investments	\$ 58,881,433	55,430,826
Land, bridges, buildings and equipment, net	299,610,626	320,142,405
Construction in progress - 30 year plan	5,491,951	673,591
Construction in progress - other	14,879,337	11,551,611
Total assets	\$ 432,352,830	416,855,595
LIABILITIES AND UNRESTRICTED NET ASSETS		
CURRENT LIABILITIES:		
Current portion of bonds payable	\$ 6,750,000	6,405,000
Current portion of postretirement benefit obligation	406,204	362,922
Accounts payable	4,960,640	4,529,141
Accrued wages and related withholdings	1,119,752	1,270,560
Other accrued expenses	174,282	238,613
Bond interest payable	220,310	135,824
Deferred income	1,196,064	1,267,968
Total current liabilities	\$ 14,827,252	14,210,028
NONCURRENT LIABILITIES:		
Postretirement benefit obligation	\$ 19,293,998	18,001,268
Bonds payable, net	58,812,956	31,093,953
Total liabilities	\$ 92,934,206	63,305,249
UNRESTRICTED NET ASSETS:		
Revenue	\$ (898,833)	(207,610)
Operation	(19,915,072)	(16,597,728)
General	45,430,716	44,924,414
Renewal and replacement	(3,083,946)	(3,993,875)
Debt sinking	3,813,630	4,378,984
Construction	284,628,501	278,669,146
	311,772,662	307,173,331
Cumulative effect of currency translation	27,645,962	46,377,015
Total unrestricted net assets	\$ 339,418,624	353,550,346
Total liabilities and unrestricted net assets	\$ 432,352,830	416,855,595

	2014	2013
REVENUES:		
Toll income	\$ 18,907,064	17,844,607
Rental income	12,171,189	12,702,681
Conditional facilities contribution	-	4,063,562
Investment income	2,071,198	2,371,024
Construction reimbursement	2,641,963	-
Miscellaneous	150,450	2,638,222
Total revenues	\$ 35,941,874	39,620,096
EXPENSES:		
Administration and overhead	\$ 5,968,488	5,709,084
Maintenance	5,132,965	4,977,522
Toll	2,517,990	2,638,150
Management information systems	850,734	837,956
Security	850,899	772,861
Postretirement	1,677,837	1,735,689
Depreciation	9,710,780	7,763,914
Interest on indebtedness	1,714,373	1,922,728
Amortization of bond financing expenses	219,385	231,349
Total expenses	\$ 28,643,451	26,589,253
CHANGE IN UNRESTRICTED NET ASSETS BEFORE UNREALIZED LOSS ON INVESTMENTS AND CHANGE IN FOREIGN CURRENCY TRANSLATION	\$ 7,298,413	13,030,843
UNREALIZED LOSS ON INVESTMENTS	\$ (2,699,082)	(1,055,267)
CHANGE IN FOREIGN CURRENCY TRANSLATION	\$ (18,731,053)	(10,822,969)
CHANGE IN UNRESTRICTED NET ASSETS	\$ 14,131,722	1,152,607
UNRESTRICTED NET ASSETS - beginning of year	\$ 353,550,346	352,397,739
UNRESTRICTED NET ASSETS - end of year	\$ 339,418,624	353,550,346



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