



# Northern Border Regional Commission

**2017**  
**ANNUAL REPORT**

A Federal-State partnership for economic development in northern Maine, New Hampshire, Vermont, and New York



Cover Photo: New Hampshire's majestic Presidential Range



# Northern Border Regional Commission

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### §15308. Annual Report

- (a) In General.-Not later than 90 days after the last day of each fiscal year, each Commission shall submit to the President and Congress a report on the activities carried out by the Commission under this subtitle in the fiscal year.
- (b) Contents.-The report shall include-
  - (1) a description of the criteria used by the Commission to designate counties under section 15702 and a list of the counties designated in each category;
  - (2) an evaluation of the progress of the Commission in meeting the goals identified in the Commission's economic and infrastructure development plan under section 15303 and State economic and infrastructure development plans under section 15502; and
  - (3) any policy recommendations approved by the Commission.



## Reflections of 2017

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In accordance with 40 U.S.C. §15308, I'm pleased to present this 2017 Annual Report on Commission activities.

The year 2017 was a time of continued growth for the NBRC, not only in appropriations (FY17 at \$10MM), but also in impact and partnerships.

During the 2017 Economic and Infrastructure Development grant round, the NBRC provided over \$9 million to high impact, critical projects in some of the most distressed and rural parts of America's northeast. Most of the grants (72%) supported telecommunications, transportation, and basic public infrastructure projects that encourage job creation and economic improvement. Funds were heavily focused on transportation infrastructure; for example, a maritime pier, extra lanes to a business park, recreation trails, and parking to increase commerce in downtowns. This year also saw the NBRC's first awards that capitalize revolving loan funds for businesses; an exciting new use of NBRC funds to increase business growth.

During 2017, the States and Federal Co-Chair continued their negotiations on roles and responsibilities; leading to the unanimous approval of bylaws, State financial contributions to the NBRC administrative costs, the eventual hiring of the NBRC's first Executive Director, and the relocation of NBRC headquarters to New Hampshire's Upper Valley region. These are significant steps in the NBRC becoming a true Federal-State partnership as well as being fully compliant with the governance model directed in our authorizing statute. Credit for the success in developing these crucial agreements goes to Governors LePage, Sununu, Scott, and Cuomo. They chose highly regarded, consensus oriented State employees to represent them on the Commission. It was my pleasure to work with these professionals as we planned the NBRC's future.

As I move onto other career opportunities, I leave confident that the NBRC will continue to be an important funder and economic developer for the Northern Border Region.



Mark Scarano, Federal Co-Chair

A handwritten signature in black ink, appearing to read 'Mark Scarano'. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Mark Scarano  
Federal Co-Chair  
Northern Border Regional Commission



## 2017 NBRC Accomplishments

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- **Investments in NBRC Counties.** The NBRC Members unanimously approved over \$9 million in grants for economic and community development projects across the four State region.
- **Created a convenient online grant application online portal.** In the past, the NBRC could only accept applications by mail or email. This led to significant frustration by those applying for NBRC funds and inefficiencies in application collection. In 2017, the NBRC created an online system to apply for NBRC funds. It proved very successful to manage and was heartily received by applicants.
- **Awarded the NBRC's first revolving loan awards.** Thanks to rules created and approved in 2016, the NBRC awarded funds to Northern Community Investment Corporation and the Ogdensburg Growth Fund Development Corporation in order to capitalize their revolving loan funds. The goal of these revolving loan funds is to provide subordinate financing to businesses unable to raise the capital they need to grow.
- **Staff Professional Development.** The NBRC staff increased their knowledge and skills by participating in training for ethics, procurement, and compliance with the National Environmental Policy Act.
- **NBRC Governance.** The Federal Co-Chair and Governor's Alternates unanimously approved a series of governance agreements that clarify roles and responsibilities. These include:
  - Formal bylaws that govern the roles and activities of NBRC Member governments as well as the NBRC partnership staff.
  - A FY19 operational budget for the NBRC in which the States and Federal governments equally contribute to the NBRC's administrative costs.
  - A detailed operations "roadmap" that provides a timeline to implementing future budgets, the hiring of the NBRC's first Executive Director, and the eventual relocation of the NBRC to New Hampshire's Upper Valley.
  - The States elected the NBRC's first State Co-Chair: Governor Phil Scott of Vermont. Together, the Federal and State co-chairs lead the NBRC and share the role of managing meetings and interpreting policy.
- **County Distress Data Collection.** The NBRC utilized existing resources to research and organize economic and demographic statistics. While this is a statutory requirement, the research also serves to focus the NBRC's investments to its most distressed counties.



**2017 NBRC Success:** Maine Governor Paul LePage cuts the ribbon to Acme Monaco's new production facility in Presque Isle, Maine. The NBRC grant provided to the City of Presque Isle helped renovate 16,300 square feet of space in a city owned building for the growing company. The company expects its employment force to grow by as much as 10 percent over the next 18 to 24 months

## About the NBRC

**Our Vision:** *The Northern Border region is known for its vital regional economies and thriving communities that provide for the well-being of the region's residents and support the stewardship of the region's natural and cultural assets.*

**Our Mission:** *The mission of the Northern Border Regional Commission is to catalyze regional, collaborative, and transformative community economic development approaches that alleviate economic distress and position the region for economic growth.*

Authorized by Congress in 2008 (USC 40, Subtitle V) and first appropriated by Congress in 2010, the Northern Border Regional Commission ("NBRC") was organized on the the Appalachian Regional Commission federal-state partnership model. Like the Appalachian Regional Commission, the NBRC is developed to provide infrastructure and economic development grants to projects in select counties that have various degrees of economic and demographic distress. While NBRC grant funds originate from the Federal Government, final approval for grants are made by the Federal Government's NBRC representative (Federal Co-Chair) and the governors of the four States.

The NBRC is led by its Federal Co-Chair, Mark Scarano, who was nominated by President Obama on January 7, 2015, and was confirmed by the Senate on May 21, 2015. The position of State Co-Chair (one of the four NBRC State Governors) is currently vacant.

As a Federal-State partnership, the NBRC enjoys a strong network of State economic development leaders who provide guidance and support for NBRC programs. Such support also helps NBRC staff maintain knowledge of local conditions throughout its extensive service area.

The NBRC partnership is also aided by a select number of certified Local Development Districts that assist in grant technical assistance, provide information on complementary grants for projects, and generally administer the NBRC grant funds on behalf of recipients.

Going forward in 2017, the NBRC's activities and investments will be directed by the NBRC's first Five Year Strategic Plan for the region.

This plan prioritizes:

1. Development of infrastructure (in particular telecommunications and energy),
2. Entrepreneurship/business/workforce development, and



3. Improving capacity for local/regional economic and community development projects.

More information on the Five Year Strategic Plan can be found in this Annual Report.

Authority and oversight functions of the NBRC is shared by the Federal Co-Chair and the Governors of Maine, New Hampshire, Vermont, and New York. NBRC programs, projects, and applications are all approved by the vote of the Federal Co-Chair and the collective vote of the majority of State Governors. Grants are approved by the Members or their chosen Alternate.

The NBRC Members have a shared staff that is accountable and responsible to the Members as a whole. The staff provides impartial information and counsel as to NBRC programs and direction. Reflective of its small size, the NBRC has only two employees, a Program Director, who

manages the NBRC's grant program, and an Executive Assistant.

Finally, the NBRC offers a wide ranging and popular grant program: the Economic & Infrastructure Development Investment Program. The EID Investment Program's overall parameters are directed by statute but are specifically oriented toward the goals and objective found within the NBRC's Five Year Strategic Plan.



**NBRC Governance at 2017 Annual Meeting:** (left to right) Mark Scarano, Federal Co-Chair; Vermont Governor's Alternate Ted Brady, Deputy Secretary of the VT Agency of Commerce and Community Development; New Hampshire Governor's Alternate Taylor Caswell, Commissioner of the NH Department of Business and Economic Affairs; Maine Governor's Alternate John Butera, Commissioner of ME Department of Labor; and New York Governor's Alternate Mark Pattison, Director of Local Government Services, NY Secretary of State.



## NBRC Members

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Authority and oversight functions are made by the NBRC Members. There are five Members: the Federal Co-Chair and the Governors of Maine, New Hampshire, Vermont, and New York. Each of the Governors appoints an alternate member of his staff or cabinet to represent him/her at NBRC meetings. Typically, the Governors' Alternates will detail much of the work related to the NBRC partnership to a designated State Program Manager.



### **Representing the Federal Government**

Mark Scarano, Federal Co-Chair  
Alternate Federal Co-Chair: Vacant



### **Representing the State of Maine**

The Honorable Paul LePage, Governor  
Governor's Alternate:  
John Butera, Commissioner, Maine Dept of Labor  
NBRC Program Manager:  
Andrea Smith, Department of Economic & Community Development



### **Representing the State of New Hampshire**

The Honorable Chris Sununu, Governor  
Governor's Alternate:  
Commissioner Taylor Caswell, Dept. of Business & Economic Affairs  
NBRC State Program Manager:  
Mollie Kaylor, Dept. of Business & Economic Affairs



### **Representing the State of Vermont**

The Honorable Phil Scott, Governor  
Governor's Alternate:  
Deputy Secretary Ted Brady, Agency of Commerce & Community Development  
NBRC State Program Manager:  
Katie Corrigan, Agency of Commerce & Community Development



### **Representing the State of New York**

The Honorable Andrew Cuomo, Governor  
Governor's Alternate:  
Deputy Secretary of State Mark Pattison, Local Government Services  
NBRC State Program Manager:  
Kyle Wilber, Local Government Services, NY Secretary of State

## How the NBRC Functions

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Federal State Commissions are a unique partnership model that provides federal grants for projects based on State and regional priorities. The oldest of the Commissions is the Appalachian Regional Commission (ARC) which was founded in 1965. The others were founded more recently starting with the Denali Commission (1998), the Delta Regional Authority (2000) and, in the 2008 Farm Bill, the Northern Border Regional Commission, the Southwest Border Regional Commission, and the Southeast Crescent Regional Commission. Of the Commissions authorized in the 2008 Farm Bill, only the NBRC has been appropriated with funds from Congress

### The Members

Like the other Commissions, the NBRC's Members are authorized to oversee staff, budgets, and approve grant investments. The Members are:

1. The Federal Co-Chair
2. The Governor of Maine
3. The Governor of New Hampshire
4. The Governor of Vermont
5. The Governor of New York

The process of approving any action is consensus-based as the Federal Co-Chair has one vote while the four Governors collectively share one vote.

### A Federal Co-Chair: Mark Scarano

Confirmed by the US Senate and appointed by the President, the Federal Co-Chair is the highest ranking Federal official within a Commission. He/she represents the Federal Governments interests within the NBRC Federal-State partnership. The Federal Co-Chair frequently works with Federal agencies to develop multi-agency investments in economic or community development projects. The Federal Co-Chair is responsible for the adherence of the NBRC's enabling statute, general federal grant guidelines, and the proper use and administration of federal funds. Because the NBRC does not have an Executive Director, the Federal Co-Chair acts in that capacity.

### An Alternate Federal Co-Chair (vacant)

Acting in the stead of the Federal Co-Chair, this position is appointed by the President but not subject to Senate confirmation.

### A State Co-Chair: Vermont Governor Phil Scott

The States elect their own lead representative to the Commission: a State Co-Chair. By statute, the State Co-Chair is one of the four Governors, elected by the others annually and serving no more than two years in that capacity. The State Co-Chair chairs meetings of the Governors in which State funds for the Commission are decided.



**NBRC Leadership:** Federal Co-Chair Mark Scarano congratulates Vermont Governor Phil Scott on being elected NBRC State Co-Chair by his fellow Governors within the NBRC service area. Governor Scott has made economic development a centerpiece of his administration; a focus that will benefit the NBRC as it grows its programs and impact.

## **States' Governors (Governors LePage, Sununu, Scott, and Cuomo)**

Each of the NBRC's four Member States (Maine, New Hampshire, Vermont, and New York) are represented by their respective governor. The collective vote of the Governors represents half of the authority to create programs, approve funds for grant projects, and oversee NBRC staff.

## **The Governors' Alternates**

These are gubernatorial appointments that represent their State when a Governor is unable to be present to contribute or vote. By statute, the Alternates must be "members of the Governors's Cabinet or personal staff." They are charged with providing oversight to a Commission's programs and representing their State on Commission business.

## **NBRC State Program Managers**

Since many of the Alternates manage large State departments or policy areas, they choose a trusted individual from the State bureaucracy to represent them before the Commission. Because they generally aren't political appointees, their longer tenure provided institutional memory for new Governors and Alternates that might be unfamiliar with the NBRC Federal-State Commission partnership. States assume financial responsibility for the time spent by Program Manager on NBRC related activities.

## **Inspector General (vacant)**

Generally, an inspector general examines the actions of a government agency or government contractor as an auditor of their operations to ensure they are operating in compliance with generally established policies of the government and to discover the possibility of misconduct, waste, fraud, theft, or other criminal activity related to the agency's operation or grantees. Congress mandated a shared Inspector General office for the three Commissions authorized in USC 40, Subtitle V.

## **Executive Director (vacant)**

The Executive Director is the chief executive officer of a Commission and manages the daily activities of a Commission's programs and personnel. He/she is to act impartially between the Federal Government and States. By statute, the Executive Director is not a federal employee while his/her salary is shared equally between the Federal Government and States.

Because of the NBRC's small size and appropriations, the Federal Co-Chair has assumed the duties that are typical of an Executive Director. This arrangement will end when the Federal Co-Chair and the States choose an Executive Director.

## **Federal Co-Chair's Staff**

This includes personnel directly accountable to the Federal Co-Chair and assist him or her in overseeing the Federal Government's interest in the Commission. These people are Federal employees and their costs (salary, benefits, travel, etc) are borne exclusively by the Federal Government.

## **NBRC Commission Staff**

Overseen collectively by the Federal Co-Chair and the State Members, Commission staff are impartial non-Federal workers that provide all the services, reporting, and administration of the Commission. They are impartial to both the Federal Government and States and their salaries, benefits, and costs are, by statute, split evenly between the Federal and State Commission partners.

NBRC staff include:

- Christine Frost, NBRC Program Director
- Bryan Schulte, NBRC Executive Assistant

Currently, the Federal Government is paying 100% of the costs of the shared staff. Starting after FY18, the States will assume half the costs for the NBRC's administrative expenses.

## **Commission Operational Costs**

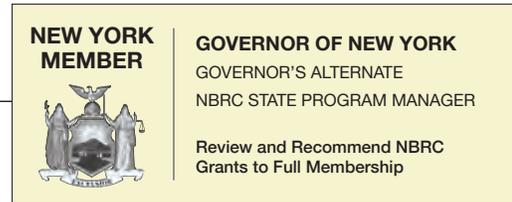
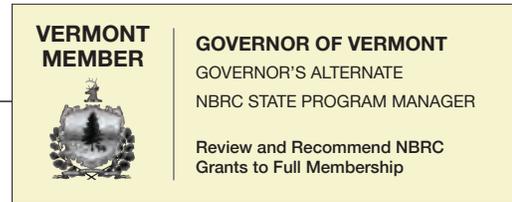
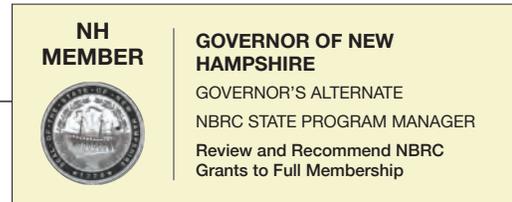
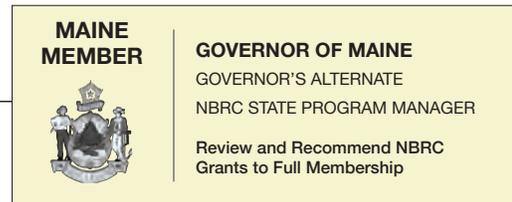
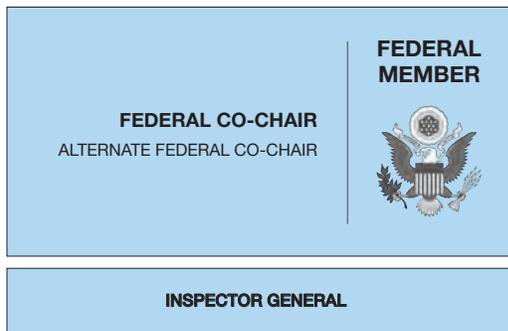
All administrative costs related to Commission operations that are not within the direct purview of the Federal Co-Chair are split evenly between the Federal Government and the State partners. While the budget requires the positive vote of the Federal Co-Chair and the unanimous vote of the Governors, the Federal Co-Chair cannot participate in the budgetary deliberations of the States. Until 2015, the States had not been alerted about their NBRC obligations. This was due to unpredictable Federal funding for the NBRC and an effort to prove the program's success to States that were largely unfamiliar with the Federal-State Commission partnership model. The States have agreed to assume their 50% share of operational costs starting after FY18.

## Organization Chart: How the NBRC Functions

### MEMBERS: AUTHORITY & OVERSIGHT

NBRC programs, projects, and applications are all approved by the vote of the Federal Member (Federal Co-Chair) and the collective vote of the majority of State Members (Governors). Oversight activities and policies are provided by the Members collectively as well as through committees of Members who work with the shared staff.

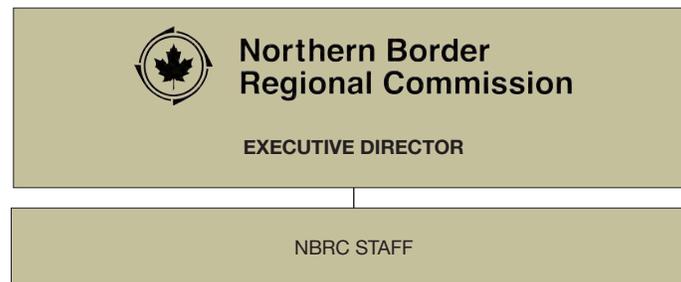
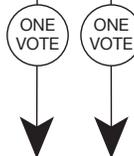
Grants are approved by the Members or their chosen Alternate.



### NBRC: MANAGEMENT & OPERATIONS

The NBRC Members have a shared staff that is accountable and responsible to the Members as a whole. The staff provides impartial information and counsel as to NBRC programs and direction.

The NBRC Members approve all grants.



## NBRC Service Area

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Recognizing similar economic and demographic challenges facing the northern parts of New York, Vermont, New Hampshire, and Maine, Congress delineated the NBRC's service area in the 2008 enabling legislation and only projects within the service area are allowed funding. The thirty-six counties within this service area include:

### In New York

Cayuga, Clinton, Essex, Franklin, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Madison, Oneida, Oswego, Seneca, and St. Lawrence counties

### In Vermont

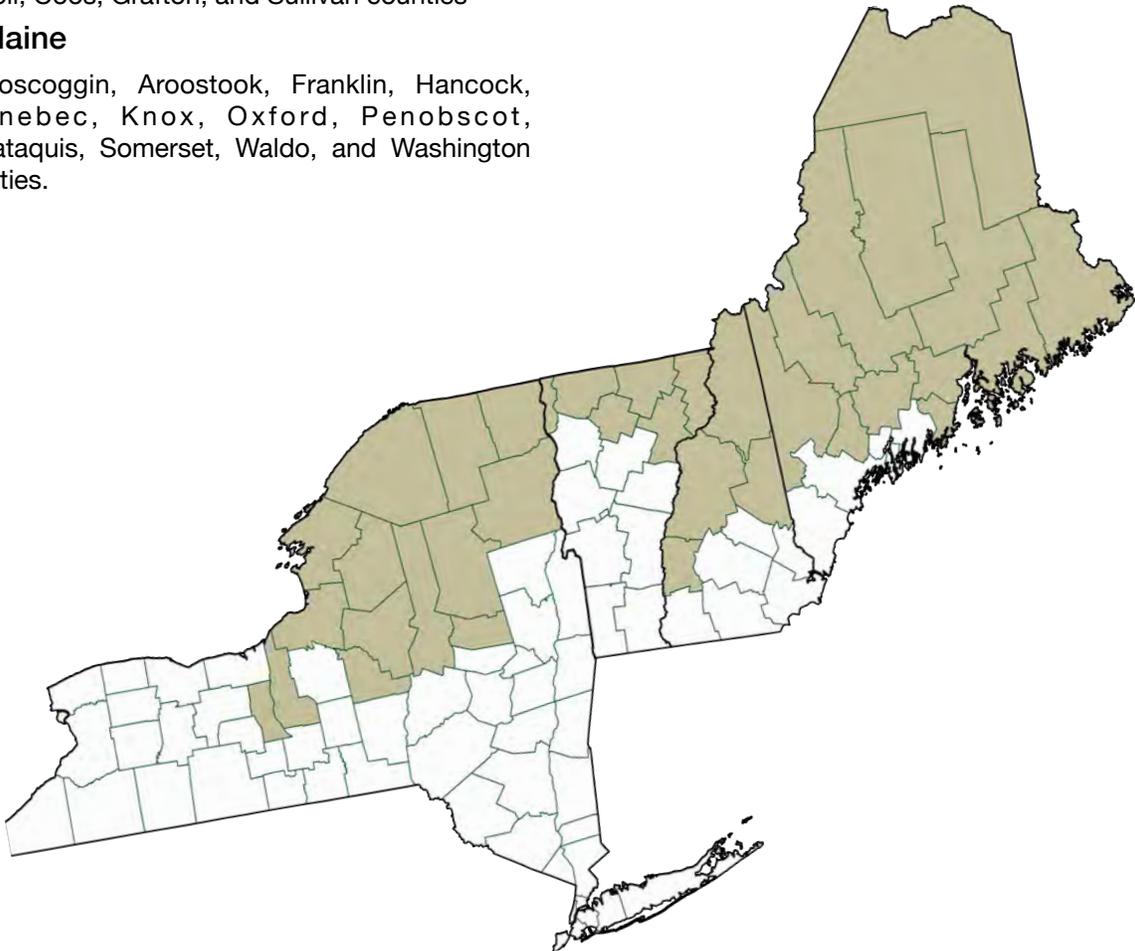
Caledonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties

### In New Hampshire

Carroll, Coos, Grafton, and Sullivan counties

### In Maine

Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox, Oxford, Penobscot, Piscataquis, Somerset, Waldo, and Washington counties.



## Distressed Counties

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By statute, the NBRC is required to annually assess the level of economic and demographic distress within its 36 county region. The reasons for this annual exercise include:

To have reliable and timely data that can inform NBRC leadership as they create new- and perfect existing- economic and infrastructure funding programs,

- To create a benchmark in which annual compilations of economic and demographic data can be compared to the NBRC's Five Year Plan goals,
- To identify whether or not the NBRC can provide grants to projects within a county,
- What level of match is required by grant applicants for projects.
- To assist States as they develop their own economic and community development programs, and
- To provide publicly available information so local decision makers can prioritize their economic and community development strategies.

### Classification Criteria

The ultimate result of this work is to separate counties and municipalities within the NBRC service area into certain classifications including Distressed Counties, Transitional Counties, and Attainment Counties.

The NBRC bases the classification of counties based on the following distress categories:

1. Primary Distress Categories (required by statute for consideration):
  - a) Percent of Population below Poverty Level,
  - b) Unemployment Rate, and
  - c) Percent Change in Population
2. Secondary Distress Categories:
  - a) Percent of Population with a Bachelors Degree or Higher,
  - b) Median Household Income, and
  - c) Percent of Secondary and Seasonal Homes

### Distressed Counties

Counties classified as "Distressed" are the most severely and persistently economically distressed and underdeveloped of the NBRC's 36 county service area and have high rates of poverty,

unemployment, or outmigration. Distressed counties have at least three of the criteria stated above.

Accordingly, the following 26 counties were designated as "Distressed" for the purposes of prioritization and match in 2016:

- Maine: Androscoggin, Aroostook, Franklin, Kennebec, Oxford, Penobscot, Piscataquis, Somerset, Waldo, and Washington counties.
- New Hampshire: Coos, Sullivan counties.
- Vermont: Caledonia, Essex, and Orleans counties.
- New York: Cayuga, Clinton, Essex, Franklin, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Madison, Oneida, Oswego, St. Lawrence, and Seneca counties.

The percent of qualified project costs matched by NBRC funds in distressed counties is up to 80%. Federal law requires the NBRC to provide 50% of appropriations to projects categorized as distressed.

### Transitional Counties

Counties classified as "Transitional" are economically distressed and underdeveloped or have recently suffered high rates of poverty, unemployment, or outmigration. Transitional counties have at least one of the criteria stated above.

Considering this, the following counties were designated as "Transitional" for the purposes of prioritization and match in 2015:

- Maine: Hancock and Knox counties.
- New Hampshire: Carroll County.
- Vermont: Franklin, Lamoille, and Grand Isle counties.
- New York: none

The percent of qualified project costs matched by NBRC funds in transitional counties is up to 50%.

### Attainment Counties

Finally, "Attainment" counties are those that are neither "distressed" nor "transitional." The NBRC is not allowed to fund projects within an attainment county unless the project is within an "Isolated Area of Distress," or have been granted a waiver. Isolated areas of distress are

“areas [municipalities] that have high rates of poverty, unemployment, or outmigration.”

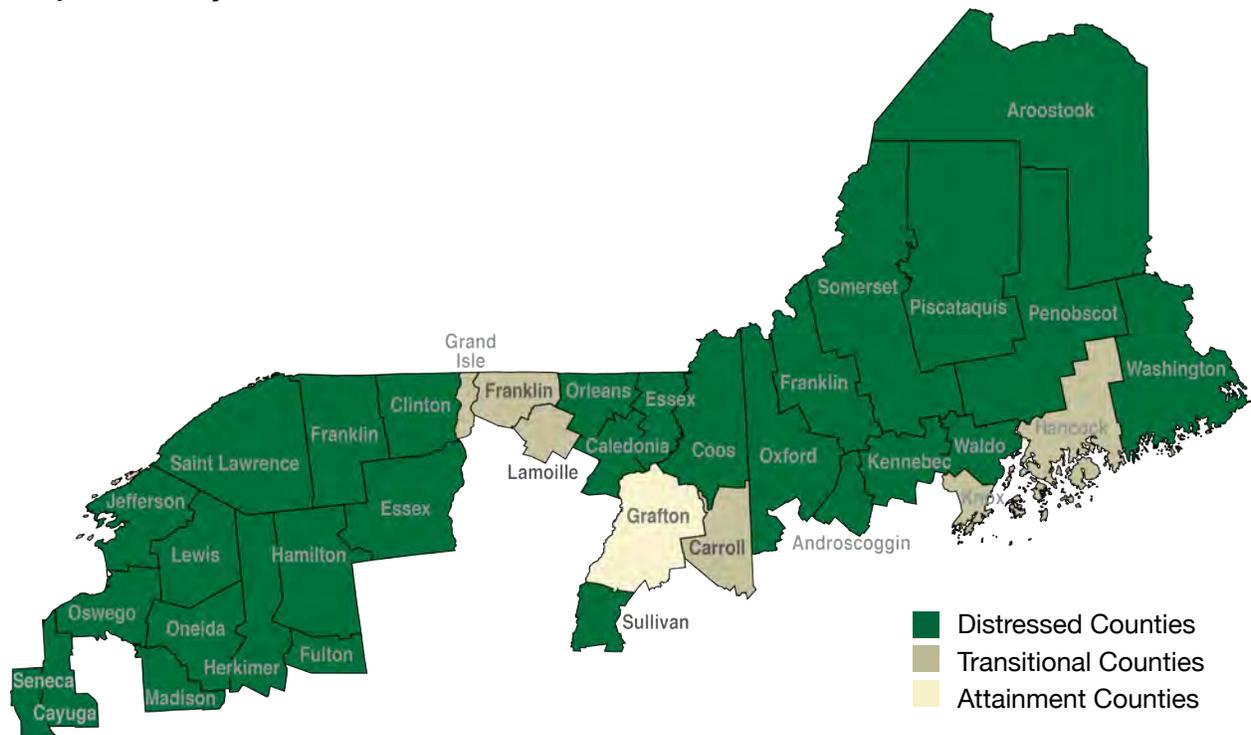
There was one county that was classified as an Attainment County:

- New Hampshire: Grafton County

Out of the 39 municipalities within Grafton County, 25 were considered Isolated Areas of Distress.

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### Map of County Distress Classification



## NBRC Investments, 2017

The NBRC has one fund: the Economic & Infrastructure Development (EID) Investment Program. The EID Program funds economic and community development projects and programs within the NBRC's four State region. The parameters of the NBRC's investments are directed by the NBRC's enabling legislation, standard Federal grant requirements, the NBRC's new Five Year Strategic Plan, and State or regional economic development plans.

### Information on Total NBRC Economic & Infrastructure Grants Awarded, 2017

Number of Awards:	37
Total Amount of NBRC Funds Awarded:	\$9,028,285
Total Amount of Matching Funds:	\$28,940,847
Ratio of Awarded Funds to Match:	1:3.2
Awards Serving a Distressed County:	80%
Awards that are Infrastructure:	72%

### Information on All NBRC Applicants for Assistance, 2017

Total Number of Applicants:	105
Total Amount of Funds sought by Applicants:	\$28,538,322
Percent of Applications Funded	35%

### Summary of the 2017 EID Investment Program

- \$2.2MM+/- for EID grants in each State
- \$500,000 maximum grant award for infrastructure project, \$250,000 for other types of awards.
- Eligible applicants include: Public bodies, IRS recognized 501(c) organizations, Native American tribes, and the four NBRC State governments.
- NBRC funds can be used as match for leveraging other Federal grant funds, up to 80% of the total project.
- All funds are in the form of reimbursement for previously paid and eligible expenses after a grant agreement has been signed and a notice to proceed has been issued.
- NBRC awards require a 50% match for projects located in Hancock (ME), Knox (ME), Carroll (NH), Franklin (VT), Grand Isle (VT), and Lamoille (VT) counties and a 20% match for projects located within the rest of NBRC's eligible counties. Due to annual economic and demographic distress data, projects in Grafton County (NH) were generally not eligible unless they were in municipalities deemed to be an "isolated area of distress." In those cases, projects were eligible for a 50% matching grant.

### Decision Making Process

According to statute, the Governors of Maine, New Hampshire, Vermont, and New York are charged with prioritizing EID applications within their respective States. The Governors submit their list of prioritized applications to the full NBRC Membership for ultimate approval. Formal decision making authority is a consensus between the four State Governors and the Federal Co-Chair based on applications being prioritized by the States. State economic development plans influence decision-making as does the NBRC's Five Year Strategic Plan.

Traditionally, the NBRC's Federal Co-Chair has provided a degree of deference to the Governors' priorities while maintaining oversight on applicant and project eligibility as well as general oversight of grant recipients' use of NBRC funds.

## 2017 Grant Schedule

The 2016 schedule for EID applications and approval included:

03/01/17 ----- Grant applications available

06/02/17 ----- Application deadline

06/14/17 ----- States certify applications as complete. NBRC certifies eligibility of apps

07/28/17 ----- States complete scoring of apps

08/04/17 ----- States' Alternates and Fed Co-Chair meet to approve applications

08/24/17 ----- Following receipt of prioritized list letters from Governors, notification of awarded and denied applications

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**The Importance of Infrastructure:** By statute, the NBRC must allocate 40% of its grants to infrastructure projects. In 2014, the NBRC awarded the Town of Littleton, NH, \$250,000 to assist in the construction of a pedestrian bridge. The bridge allows visitors from an existing and extensive trail system to access downtown Littleton. The bridge was completed and dedicated in 2017.



## NBRC Investments in Maine, 2017

### Information on Economic & Infrastructure Grants Awarded in Maine, 2017

Number of Awards:	8
Total Amount of NBRC Funds Awarded:	\$2,207,484
Total Amount of Matching Funds:	\$7,227,843
Ratio of Awarded Funds to Match:	1:3.2
Awards Serving a Distressed County:	84%
Awards that are Infrastructure:	95%

### Information on All Applicants for Assistance in Maine, 2017

Total Number of Applicants:	25
Total Amount of Funds sought by Applicants:	\$6,394,405
Percent of Grant Requests Funded:	32%

- (1) Awarded to:** **Town of Wilton**  
**Project:** Project would replace 1" residential water/sewer pipe under 561 Main St. with 6" commercial pipe and complete 1,500 sq unfinished, vacant space for new children's museum at same address.  
**Location of Project:** Wilton, Franklin County, Maine (CD-2)  
**Grant Amount:** \$157,484  
**Match Amount:** \$157,089  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (2) Awarded to:** **Our Katahdin**  
**Project:** The project will develop and expand broadband expansion in Maine's Katahdin Region  
**Location of Project:** Millinocket, East Millinocket, and Medway, Penobscot County, Maine (CD-2)  
**Grant Amount:** \$150,000  
**Match Amount:** \$162,500  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (3) Awarded to:** **Town of Fort Kent**  
**Project:** To install approximately 800 ft. of concrete block system and fill from the Fish River Bridge on East Main St. to the existing levee on the St. John River.  
**Location of Project:** Fort Kent, Aroostook County, Maine (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$640,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (4) Awarded to:** **Town of Winslow**  
**Project:** A 1,500' left turning lane to the Winslow Business Park will be constructed. This lane is required by Maine Department of Transportation before two companies in Business Park, which plan to create a total of 110 new positions, are allowed to expand.

**Location of Project:** Winslow, Kennebec County, Maine (CD-2)  
**Grant Amount:** \$300,000  
**Match Amount:** \$89,056  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (5) **Awarded to:** **City of Rockland**  
**Project:** The City's fish pier will be renovated to better serve current fishing activities and boat pier will be expanded to serve the growing cruise ship activity.

**Location of Project:** Rockland, Knox County, Maine (CD-1)  
**Grant Amount:** \$350,000  
**Match Amount:** \$1,850,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (6) **Awarded to:** **City of Rumford**  
**Project:** Project will construct 2 miles of natural gas pipelines and 2 miles of fiber optic line in the downtown area of Rumford. It will additionally reconstruct 1 mile of sidewalk, over a mile of roadway, and 2 miles of water lines.

**Location of Project:** Rumford, Oxford County, Maine (CD-2)  
**Grant Amount:** \$400,000  
**Match Amount:** \$3,600,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (7) **Awarded to:** **Town of Baileyville**  
**Project:** This project is Phase II of the Town's ongoing infrastructure improvements project and will replace 3,500 linear feet of leaking sewer system piping along Broad Street.

**Location of Project:** Baileyville, Washington County, Maine (CD-2)  
**Grant Amount:** \$500,000  
**Match Amount:** \$125,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (8) **Awarded to:** **City of Caribou**  
**Project:** To demolish and clean up the former Birdseye processing plant on Route 1 for eventual reuse.

**Location of Project:** Caribou, Aroostook County, Maine (CD-2)  
**Grant Amount:** \$100,000  
**Match Amount:** \$42,780  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program



**NBRC Supports Maine's Workforce:** NBRC celebrated the grand opening of the new Gene Haas Precision Machining Center at Central Maine Community College, Auburn, Maine. The Center, a 8,600 square foot renovation and extension to existing Community College space, was funded through the Gene Haas Foundation, the US Economic Development Administration, and a \$250,000 NBRC award in 2016. Considering the real need of employers for skilled machinists, the graduates of the program will be in high demand and should find immediate work.

## NBRC Investments in New Hampshire, 2017

### Information on Economic & Infrastructure Grants Awarded in New Hampshire, 2017

Number of Awards:	13
Total Amount of NBRC Funds Awarded:	\$2,292,000
Total Amount of Matching Funds:	\$7,543,596
Ratio of Awarded Funds to Match:	1:3.2
Awards Serving a Distressed County:	63%
Awards that are Infrastructure:	53%

### Information on All Applicants for Assistance in New Hampshire, 2017

Total Number of Applicants:	21
Total Amount of Funds sought by Applicants:	\$4,748,361
Percent of Grant Requests Funded:	62%

- (1) Awarded to:** **Lancaster Rotary Club Charities Inc**  
**Project:** Parking lot construction and parallel parking on Canal St in Lancaster NH including landscaping & river greenway with Phase I of access to the island nature area.  
**Location of Project:** Coos County (CD-2)  
**Grant Amount:** \$194,400  
**Match Amount:** \$48,600  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (2) Awarded to:** **Town of Whitefield**  
**Project:** The Project will upgrade the Town's existing septage receiving station to treat wastewater from septic tanks. This will provide septage treatment for a region highly dependent on septic tanks.  
**Location of Project:** Coos County (CD-2)  
**Grant Amount:** \$399,200  
**Match Amount:** \$99,800  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (3) Awarded to:** **Northern Forest Center**  
**Project:** The project will deliver technical assistance to more than 57 forest-based businesses (15 wood products, 12 wood energy, 30 tourism) to help them adapt to the changing regional forest economy. This assistance aims to create or retain 350 jobs and leverage over \$1 million in private investment.  
**Location of Project:** Carroll, Coos, Grafton, and Sullivan counties, New Hampshire (CDs-1 & 2)  
**Grant Amount:** \$75,000  
**Match Amount:**  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (4) **Awarded to:** **New Hampshire Academy of Science**  
**Project:** To establish a Science, Technology, Engineering, and Mathematics (STEM) laboratory for future NH STEM workforce/leaders. Pre-college students and their teachers will learn research skills/techniques from STEM professionals, leading to college STEM majors and a vibrant STEM workforce.  
**Location of Project:** Littleton, Grafton County, New Hampshire (CD-2)  
**Grant Amount:** \$100,000  
**Match Amount:** \$100,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (5) **Awarded to:** **New Hampshire Department of Business & Economic Affairs, Division of Travel and Tourism**  
**Project:** Construction and renovation projects at the Intervale and Rumney Rest Areas for increased tourism development and management.  
**Location of Project:** Plymouth, Grafton County, and Intervale, Carroll County, New Hampshire (CDs-1 & 2)  
**Grant Amount:** \$70,000  
**Match Amount:** \$70,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (6) **Awarded to:** **G.A.L.A. Community Center**  
**Project:** To purchase and improve a vacant building in Conway for makerspace & business incubator services.  
**Location of Project:** Conway, Carroll County, New Hampshire (CD-1)  
**Grant Amount:** \$250,000  
**Match Amount:** \$250,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (7) **Awarded to:** **North Country ATV**  
**Project:** To repair an inactive ATV/snowmobile trail in Stratford and add wayfinding signage.  
**Location of Project:** Stratford, Coos County, New Hampshire (CD-2)  
**Grant Amount:** \$78,750  
**Match Amount:** \$19,690  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (8) **Awarded to:** **Town of Colebrook**  
**Project:** Replacing up to 600 traditional water meters with new “smart water meters.”  
**Location of Project:** Colebrook, Coos County, New Hampshire (CD-2)  
**Grant Amount:** \$400,000  
**Match Amount:** \$225,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (9) **Awarded to:** **Mountain Top Music Center**  
**Project:** Renovation of The Majestic Theatre in the Bolduc Block, the preeminent structure on Main Street in Conway Village.  
**Location of Project:** Conway, Carroll County, New Hampshire (CD-1)  
**Grant Amount:** \$200,000

**Match Amount:** \$360,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(10) Awarded to:** **AHEAD, Inc.**  
**Project:** To construct a new 32 bed treatment facility at Bethlehem's Friendship House to retain and create jobs, expand programs and provide on going treatment for drug and/or alcohol substance misuse.  
**Location of Project:** Bethlehem, Grafton County, New Hampshire (CD-2)  
**Grant Amount:** \$150,000  
**Match Amount:** \$4,817,256  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(11) Awarded to:** **Opera North**  
**Project:** To renovate the Charles Beaman home to serve as the base for a new summer festival for the performing and visual arts at the historic 40-acre Blow-Me-Down Farm in Cornish, NH.  
**Location of Project:** Cornish, Sullivan County, New Hampshire (CD-2)  
**Grant Amount:** \$150,000  
**Match Amount:** \$62,500  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(12) Awarded to:** **Bethlehem Village District**  
**Project:** To replace water meters to enhance delivery of clean, safe, reliable drinking water. New meter technology will identify and limit excessive water use, monitor leakage, and encourage water conservation.  
**Location of Project:** Bethlehem, Grafton County, New Hampshire (CD-2)  
**Grant Amount:** \$75,000  
**Match Amount:** \$125,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(13) Awarded to:** **Claremont Development Authority/City of Claremont**  
**Project:** The Opera House Square project will revitalize 10,000+ square feet in two historic buildings for two end user tenants. Downtown development of long vacant space, entrepreneurship, arts opportunity & basic health care needs will result in new jobs, tax base, community & regional improvements.  
**Location of Project:** Claremont, Sullivan County, New Hampshire (CD-2)  
**Grant Amount:** \$149,650  
**Match Amount:** \$1,735,750  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program



**NBRC Supports New Hampshire Infrastructure:** NBRC Federal Co-Chair Mark Scarano was joined by NH Senator Maggie Hassan (center) in congratulating the Claremont Development Authority and the City of Claremont on a successful 2017 downtown revitalization award.

# NBRC Investments in Vermont, 2017

## Information on Economic & Infrastructure Grants Awarded in Vermont, 2017

Number of Awards:	10
Total Amount of NBRC Funds Awarded:	\$2,228,801
Total Amount of Matching Funds:	\$3,384,181
Ratio of Awarded Funds to Match:	1:1.5
Awards Serving a Distressed County:	72%
Awards that are Infrastructure:	66%

## Information on All Applicants for Assistance in Vermont, 2017

Total Number of Applicants:	29
Total Amount of Funds sought by Applicants:	\$7,292,601
Percent of Grant Requests Awarded:	34%

- (1) Awarded to:** **Green Mountain United Way**  
**Project:** Working Bridges will engage 3 businesses over 3 years bringing resources and support to employees and businesses through resource coordination, training, tax prep, and income advance loans in order to retain jobs and create opportunities benefitting businesses, employees, and the broader region.  
**Location of Project:** Caledonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$191,753  
**Match Amount:** \$47,938.14  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (2) Awarded to:** **NeighborWorks of Western Vermont**  
**Project:** Project will complete 660 audits and 233 efficiency projects generating \$400,000 cumulative savings for homeowners by expanding to Orleans, Essex and Caledonia counties and providing resources and services to sustain contractors, creating 36 jobs.  
**Location of Project:** Orleans, Essex, and Caledonia counties, Vermont (CD-1)  
**Grant Amount:** \$250,000  
**Match Amount:** \$545,639  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (3) Awarded to:** **Northern Forest Center**  
**Project:** The project will deliver technical assistance to more than 57 forest-based businesses (15 wood products, 12 wood energy, 30 tourism) to help them adapt to the changing regional forest economy. This assistance aims to create or retain 350 jobs and leverage over \$1 million in private investment.  
**Location of Project:** Caledonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$162,500  
**Match Amount:**  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (4) **Awarded to:** **Vermont Brewers Association**  
**Project:** To support the Brewery Challenge Passport Program which will boost traffic to remote areas of Vermont. Visitors to breweries are predominantly from out of state bringing tourist spending into areas where they may not otherwise be traveling. We intend to launch a mobile app to bring this program digital.  
**Location of Project:** Caledonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$46,000  
**Match Amount:** \$50,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (5) **Awarded to:** **Vermont Association of Snow Travelers**  
**Project:** The project converts a now defunct railroad bed into a 4-season recreational & heritage trail for visitors to Vermont. The Trail will connect isolated rural communities, increase consumer traffic for businesses, and provide opportunities for exercise and adventure, and grow jobs.  
**Location of Project:** Sheldon and Swanton, Franklin County, Vermont (CD-1)  
**Grant Amount:** \$200,000  
**Match Amount:** \$1,300,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (6) **Awarded to:** **Town of Hardwick**  
**Project:** The Project will involve the purchase of 4 acres of land with buildings to be used for business development, expansion and as a fulfillment center to promote the Vermont brand, working lands businesses, and to cultivate economic resiliency and innovation in northeastern Vermont.  
**Location of Project:** Hardwick, Caledonia County, Vermont (CD-1)  
**Grant Amount:** \$250,000  
**Match Amount:** \$62,500  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (7) **Awarded to:** **Fairbanks Museum & Planetarium**  
**Project:** The Fairbanks Museum will move from fossil fuels to 90% renewables, and create supporting exhibits and outreach materials (outputs) which will increase Vermont's capacity to meet its 90% renewables goal, the Museum's financial and environmental resilience, and regional tourism (outputs).  
**Location of Project:** St. Johnsbury, Caledonia County, Vermont (CD-1)  
**Grant Amount:** \$128,548  
**Match Amount:** \$670,556  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (8) **Awarded to:** **Northern Community Investment Corp**  
**Project:** To create a revolving loan fund for additional flexible sources of capital and to expand financial technical assistance. Together these will enhance the development and expansion of businesses. By design, the loan fund is self-replenishing so as to create and/or retain jobs for years to come.  
**Location of Project:** Orleans, Essex, and Caledonia counties, Vermont (CD-1)  
**Grant Amount:** \$150,000

**Match Amount:**  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(9) Awarded to:** **Town of St. Johnsbury**  
**Project:** The project will build approximately 530 linear feet of new sidewalks/crosswalk; 1350 linear-foot trail; 2,883 linear feet of striped bike lanes on Bay Street; and convert a derelict .21-acre riverfront property into a trail-head center accommodating parking & boat/bike/fishing gear rentals.

**Location of Project:** St. Johnsbury, Caledonia County, Vermont (CD-1)

**Grant Amount:** \$425,000

**Match Amount:** \$206,208

**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(10) Awarded to:** **Vermont Land Trust**  
**Project:** The Project will construct a multi-use path, creating a 4-season, 7-mile waterfront recreational corridor connecting downtown Newport to high-usage paths in Quebec, improving quality of life and creating economic opportunity.

**Location of Project:** Newport, Orleans County, Vermont (CD-1)

**Grant Amount:** \$425,000

**Match Amount:** \$829,500

**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program



**NBRC Annual Celebration of Vermont Grants:** Solid bipartisan leadership is personified in Vermont where the NBRC's most recent awards are announced by Vermont's Congressional Delegation and Vermont Governor Phil Scott. Over \$2.2 million was awarded in 2017 to 10 high impact projects. At center, Senator Patrick Leahy and Governor Scott.

## NBRC Investments in New York, 2017

### Information on Economic & Infrastructure Grants Awarded in New York, 2017

Number of Awards:	6
Total Amount of NBRC Funds Awarded:	2,200,000
Total Amount of Matching Funds:	\$12,125,402
Ratio of Awarded Funds to Match:	1:5.5
Awards Serving a Distressed County:	100%
Awards that are Infrastructure:	89%

### Information on All Applicants for Assistance in New York, 2017

Total Number of Applicants:	32
Total Amount of Funds sought by Applicants:	7,292,601.08
Percent of Grant Requests Funded	19%

**(1) Awarded to: St. Lawrence County, NY**

**Project:** This project will re-establish safe access to rail infrastructure at the former Jones & Laughlin (J&L) Steel site through removal of dilapidated structures. Together, these activities will advance the redevelopment potential of this long-abandoned iron ore processing plant.

**Location of Project:** St. Lawrence County, New York (CD-21)

**Grant Amount:** \$500,000

**Match Amount:** \$1,200,000

**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(2) Awarded to: Jefferson County Industrial Development Agency**

**Project:** The project will connect water and sewer lines to Community Bank's (CBNA) Operations Center, retaining 56 FTEs and 32 part time jobs. It will also facilitate potential new job creation by CBNA at the site.

**Location of Project:** Watertown, Jefferson County, New York (CD-21)

**Grant Amount:** \$500,000

**Match Amount:** \$5,633,175

**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

**(3) Awarded to: Town of Plattsburgh**

**Project:** The project includes installation of two 12-inch water production wells and a 20 by 30 foot treatment building for chlorination and fluoridation. It will accommodate future development for the Town of Plattsburgh and the region.

**Location of Project:** Plattsburgh, Clinton County, New York (CD-21)

**Grant Amount:** \$500,000

**Match Amount:** \$2,050,000

**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (4) **Awarded to:** **Ogdensburg Growth Fund Development Corporation**  
**Project:** For subordinate loans of up to \$100,0000 to businesses that are creating new jobs in the community, with emphasis on business development within the City's State Designated Brownfield Opportunity Area.
- Location of Project:** City of Ogdensburg, New York (CD-21)
- Grant Amount:** \$250,000  
**Match Amount:** \$62,500  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (5) **Awarded to:** **City of Fulton**  
**Project:** To properly size, furnish and install over 3800 lineal feet of 8" water mains, 12" sewer mains and update storm sewer lines on a former 24 acre manufacturing site & support the entire southeast neighborhood. The 8 new divided commercial and retail lots when developed will create over 200 local jobs
- Location of Project:** Fulton, Oswego County, New York (CD-24)
- Grant Amount:** \$250,000  
**Match Amount:** \$529,727  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (6) **Awarded to:** **Town of Nelson**  
**Project:** Drinking water infrastructure including a 16,500 foot extension of the public water main, pump station, and storage tank will be constructed to service a water district east of the Village of Cazenovia. This will allow for future development.
- Location of Project:** Nelson, Madison County, New York (CD-22)
- Grant Amount:** \$200,000  
**Match Amount:** \$2,650,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program



**NBRC Boosts Broadband in New York:** Thanks to a 2015 grant from the NBRC for enhanced and high speed broadband service, the Village of Massena, NY celebrated in 2017 the start of service in a lighting ceremony attending by NBRC Federal Co-Chair Mark Scarano, representatives of NY Governor Andrew Cuomo, Massena Mayor Tim Currier, private partners, and the offices of Senator Kirsten Gillibrand and Representative Elise Stefanik.

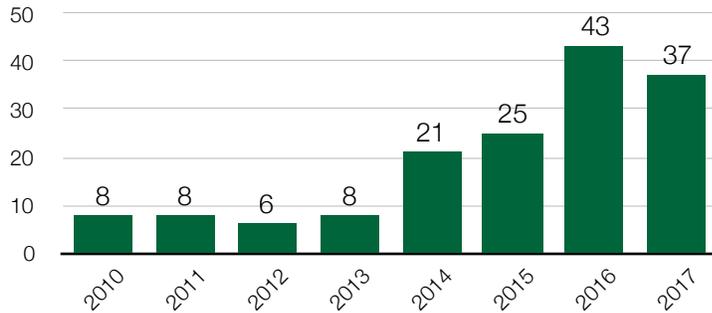
## NBRC Investments, History

Founded in 2008, the NBRC Federal-State partnership offers an annual economic and community development grant program. Because of recent appropriations increases, 60% of awards have been made only within the last two years.

Number of Awards:	155
Total Amount of NBRC Funds Awarded:	\$30,938,757
Total Amount of Matching Funds:	\$89,223,740
Ratio of Awarded Funds to Match:	1:2.8
Total Number of Applicants:	517
Total Amount of Funds sought by Applicants:	\$143,058,797
Percent of Grant Requests Funded	30%

### Growth of Awards by Year

Thanks to increased appropriations, the NBRC has been able to increase investments in critical infrastructure, telecommunications, and economic development projects since its initial appropriations in 2010.



### Maine Awards (2010-2017)

147	Total Applications Received
\$43,796,670	Total Amount Requested
34	Number of awards
\$8,080,671	Amount of awards
\$238,000	Average award amount
\$27,498,828	Matching amounts
1:3.4	Ratio of award to match



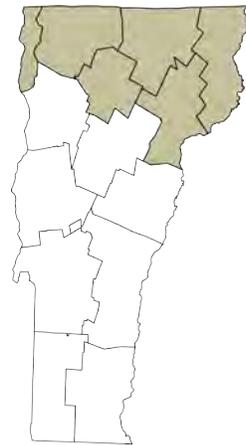
### New Hampshire Awards (2010-2017)

86	Total Applications Received
\$16,984,906	Total Amount Requested
44	Number of awards
\$7,384,816	Amount of awards
\$168,000	Average award amount
\$15,688,028	Matching amounts
1:2.1	Ratio of award to match



### Vermont Awards (2010-2017)

93	Total Applications Received
\$22,449,129	Total Amount Requested
44	Number of awards
\$7,762,245	Amount of awards
\$176,000	Average award amount
\$9,235,114	Matching amounts
1:1.1	Ratio of award to match



### New York Awards (2010-2017)

186	Total Applications Received
\$59,728,092	Total Amount Requested
33	Number of awards
\$7,611,025	Amount of awards
\$231,000	Average award amount
\$36,801,770	Matching amounts
1:4.8	Ratio of award to match



## Five Year Strategic Plan

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The NBRC's authorizing statute requires the creation of a five year strategic plans with outcome targets. The plan serve to focus the Commission's programs and investments as it seeks to help the Northern Border region emerge from a period of significant economic transition and challenge. The resulting strategies are designed to capitalize on regional assets to grow and retain wealth in the region, and are informed by local priorities identified by public, private, and not-for-profit stakeholders.

Between 2010 - 2016, the investments of NBRC were guided by the 2008 recommendations of the Northern Forest Sustainable Economy Initiative, a federally-funded regional economic assessment and strategy process led by the Northern Forest Center with support from the region's governors. In 2014, the Commission contracted with the Northern Forest Center to update that strategy as the basis for this strategic plan. The Northern Forest Center is a regional non-profit with a service area nearly identical to that of the NBRC.

The resulting Five Year Strategic Plan was developed through wide consultation with private and public stakeholders from throughout the four State region as well as demographic and demographic research.

While the Plan is attached to this Annual Report, the goals and objectives for the NBRC between 2017 and 2021 include:

### **Goal #1: Infrastructure in Northern Border communities is modernized to better support business retention and expansion, and better position the region to compete in the global economy.**

Objective 1.1: Community infrastructure for business development. Revitalize and modernize essential infrastructure in Northern Border region communities.

Objective 1.2: Telecommunications. Increase access, affordability, and use of high speed telecommunications by Northern Border residents and businesses.

Objective 1.3: Energy. Stabilize and reduce electric and thermal energy costs.

### **Goal #2: Businesses in the Northern Border region are creating and**

### **sustaining jobs and wealth from the region's assets and are able to find employees with necessary skills.**

Objective 2.1: Asset-based business enterprise. Retain, expand and diversify business enterprise that capitalizes on the region's natural, cultural, and economic assets.

Objective 2.2: Entrepreneurship and Innovation. Position the Northern Border region as an attractive and supportive place for creative and entrepreneurial people.

Objective 2.3: Workforce development. Support and expand a highly productive workforce with skills suited to existing and future business needs.

### **Goal #3: Northern Border communities and businesses are well positioned to anticipate and capitalize on changing trends, and are resilient in the face of change.**

Objective 3.1: Leadership & community capacity. Foster entrepreneurial leadership and capacity for community economic development.

Objective 3.2: Regional knowledge. Inform and align local, state, and regional economic development decision making with regional data and perspectives.

### **Five Year Performance Goals**

In addition, the NBRC Members have adopted Five Year Performance Goals (2017-2021) in which the NBRC can measure its progress. These performance goals include:

1. 5,000 jobs created or retained
2. 10,000 households and businesses with access to improved infrastructure
3. 1,000 businesses representing 5,000 employees benefit from NBRC investments
4. 7,500 workers provided with skills training
5. 250 communities and 1,000 leaders engaged in regional leadership, learning and/or innovation networks supported by the NBRC
6. 3:1 NBRC investment leverage

The NBRC will annually refer to these goals and performance measures as it develops its Economic & Infrastructure Investment grant program and approves investments.

## Financial Statements, End of 2017 Fiscal Year

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In FY 2017 the Northern Border Regional Commission renewed its contract with USDA Pegasys Financial Services to perform the Commission's accounting and financial reporting.

Attached are the NBRC's Financial Statements for the fiscal year ending September 30, 2017.



**NORTHERN BORDER REGIONAL COMMISSION**

**GENERAL FUND**

**FINANCIAL STATEMENTS**

**As Of And For The Years Ended September 30, 2017 and 2016**



United States  
Department of  
Agriculture

Office of the Chief  
Financial Officer

1400 Independence  
Avenue, SW  
Washington, DC  
20250

**DATE:** October 2, 2017

**TO:** Pegasys Financial Services' User Entities and Their Auditors

**FROM:**   
Teresa Ramsey  
Director, Pegasys Financial Services

**SUBJECT:** Gap/Bridge Memorandum

KPMG LLP, an independent certified public accounting firm, conducted a Statement on Standards for Attestation Engagements No. 18 (SSAE 18), type 2, examination of the United States Department of Agriculture/Pegasys Financial Services' (USDA/PFS) Pegasys Financial Management System for the period July 1, 2016 through July 31, 2017. USDA/PFS provided management representation to KPMG LLP as of September 8, 2017, that the "Description of Controls Provided by PFS" presents fairly, in all material respects, those aspects of USDA/PFS' controls that may be relevant to a user organizations' internal control over financial reporting and have disclosed any subsequent events that would have a significant impact on user organizations. USDA/PFS also asserts that the controls included in the "Description of Controls Provided by PFS" have not changed significantly between the date of KPMG LLP's examination and the end of the fiscal year (August 1 – September 30, 2017).

# NORTHERN BORDER REGIONAL COMMISSION

## BALANCE SHEET

As Of September 30, 2017 and 2016

		2017	2016
<b>Assets:</b>			
<b>Intragovernmental:</b>			
Fund Balance With Treasury	(Note 2)	\$ 18,741,345.72	\$ 13,577,376.44
<b>Other:</b>			
Advances and Prepayments	(Note 3)	<u>100,000.00</u>	
<b>Total Intragovernmental</b>		<u>18,841,345.72</u>	<u>13,577,376.44</u>
<b>Assets With The Public:</b>			
<b>Other:</b>	(Note 3)		
Advances and Prepayments			<u>100,864.00</u>
<b>Total Assets</b>		<u><u>\$ 18,841,345.72</u></u>	<u><u>\$ 13,678,240.44</u></u>
<b>Liabilities:</b>	(Note 4)		
<b>Intragovernmental:</b>			
<b>Other:</b>	(Note 5)		
Employer Contributions and Payroll Taxes Payable		<u>\$ 3,933.89</u>	<u>\$ 2,998.43</u>
<b>Total Intragovernmental</b>		<u>3,933.89</u>	<u>2,998.43</u>
<b>Liabilities With the Public:</b>			
Accounts Payable			248,904.14
<b>Other:</b>	(Note 5)		
Accrued Funded Payroll and Leave		13,768.00	11,073.60
Employer Contributions and Payroll Taxes Payable		688.40	507.61
Unfunded Leave		<u>10,702.79</u>	
<b>Total Liabilities</b>		<u>\$ 29,093.08</u>	<u>\$ 263,483.78</u>
<b>Net Position:</b>			
Unexpended Appropriations - All Other Funds (Consolidated Totals)		\$ 18,822,955.43	\$ 13,414,756.66
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		(10,702.79)	
<b>Total Net Position - All Other Funds (Consolidated Totals)</b>		<u>18,812,252.64</u>	<u>13,414,756.66</u>
<b>Total Net Position</b>		<u><u>\$ 18,812,252.64</u></u>	<u><u>\$ 13,414,756.66</u></u>
<b>Total Liabilities and Net Position</b>		<u><u>\$ 18,841,345.72</u></u>	<u><u>\$ 13,678,240.44</u></u>

The accompanying notes are an integral part of these statements.

**NORTHERN BORDER REGIONAL COMMISSION  
STATEMENT OF NET COST**

**As Of And For The Years Ended September 30, 2017 and 2016**

	2017	2016
<b>Program Costs:</b>		
<b>NBRC:</b>		
<b>Gross Costs</b>	(Note 7)    \$    4,618,941.61	\$    3,911,900.76
<b>Net Program Costs</b>	4,618,941.61	3,911,900.76
<b>Net Cost of Operations</b>	\$    4,618,941.61	\$    3,911,900.76

The accompanying notes are an integral part of these statements.

**NORTHERN BORDER REGIONAL COMMISSION**  
**STATEMENT OF CHANGES IN NET POSITION**  
**As Of And For The Years Ended September 30, 2017 and 2016**

FY 2017 (CY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
<b>Cumulative Results from Operations:</b>				
Beginning Balances		\$		\$
<b>Budgetary Financing Sources:</b>				
Appropriations used		4,591,801.23		4,591,801.23
<b>Other Financing Sources (Non-Exchange):</b>				
Imputed financing		16,437.59		16,437.59
Total Financing Sources		4,608,238.82		4,608,238.82
Net Cost of Operations		4,618,941.61		4,618,941.61
Net Change		(10,702.79)		(10,702.79)
<b>Cumulative Results of Operations</b>		(10,702.79)		(10,702.79)
<b>Unexpended Appropriations:</b>				
Beginning Balance		13,414,756.66		13,414,756.66
<b>Budgetary Financing Sources:</b>				
Appropriations received		10,000,000.00		10,000,000.00
Appropriations used		(4,591,801.23)		(4,591,801.23)
Total Budgetary Financing Sources		5,408,198.77		5,408,198.77
Total Unexpended Appropriations		18,822,955.43		18,822,955.43
Net Position		\$ 18,812,252.64		\$ 18,812,252.64

The accompanying notes are an integral part of these statements.

**NORTHERN BORDER REGIONAL COMMISSION**  
**STATEMENT OF CHANGES IN NET POSITION**  
**As Of And For The Years Ended September 30, 2017 and 2016**

FY 2016(PY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
<b>Cumulative Results from Operations:</b>				
Beginning Balances		\$ (5,524.47)		\$ (5,524.47)
<b>Budgetary Financing Sources:</b>				
Appropriations used		3,904,704.73		3,904,704.73
<b>Other Financing Sources (Non-Exchange):</b>				
Imputed financing		12,720.50		12,720.50
Total Financing Sources		3,917,425.23		3,917,425.23
Net Cost of Operations		3,911,900.76		3,911,900.76
Net Change		5,524.47		5,524.47
<b>Cumulative Results of Operations</b>		<b>0.00</b>		<b>0.00</b>
<b>Unexpended Appropriations:</b>				
Beginning Balance		9,819,461.39		9,819,461.39
<b>Budgetary Financing Sources:</b>				
Appropriations received		7,500,000.00		7,500,000.00
Appropriations used		(3,904,704.73)		(3,904,704.73)
Total Budgetary Financing Sources		3,595,295.27		3,595,295.27
Total Unexpended Appropriations		13,414,756.66		13,414,756.66
Net Position		\$ 13,414,756.66		\$ 13,414,756.66

The accompanying notes are an integral part of these statements.

**NORTHERN BORDER REGIONAL COMMISSION**  
**STATEMENT OF BUDGETARY RESOURCES**

As Of And For The Years Ended September 30, 2017 and 2016

	<b>2017</b>	<b>2016</b>
	<b>Budgetary</b>	<b>Budgetary</b>
<b>BUDGETARY RESOURCES</b>		
Unobligated balance brought forward, Oct 1	\$ 309,225.14	\$ 5,462,488.56
Unobligated balance brought forward, Oct 1, adjusted	309,225.14	5,462,488.56
Recoveries of prior year unpaid obligations	371,764.60	234,882.82
Unobligated balance from prior year budget authority, net	680,989.74	5,697,371.38
Appropriations (discretionary and mandatory)	10,000,000.00	7,500,000.00
<b>Total budgetary resources</b>	<b>\$ 10,680,989.74</b>	<b>\$ 13,197,371.38</b>
 <b>STATUS OF BUDGETARY RESOURCES</b>		
New obligations and upward adjustments (total)	(Note 8) \$ 9,753,239.48	\$ 12,888,146.24
Unobligated balance, end of year:		
Apportioned, unexpired account	899,288.99	282,667.32
Unapportioned, unexpired accounts	28,461.27	26,557.82
Unexpired unobligated balance, end of year	927,750.26	309,225.14
Unobligated balance, end of year (total)	927,750.26	
<b>Total budgetary resources</b>	<b>\$ 10,680,989.74</b>	<b>\$ 13,197,371.38</b>
 <b>CHANGE IN OBLIGATED BALANCE</b>		
Unpaid obligations:		
Unpaid obligations, brought forward, Oct 1	\$ 13,268,151.30	\$ 4,267,014.44
New obligations and upward adjustments	9,753,239.48	12,888,146.24
Outlays (gross) (-)	(4,836,030.72)	(3,652,126.56)
Recoveries of prior year unpaid obligations (-)	(371,764.60)	(234,882.82)
Unpaid obligations, end of year	17,813,595.46	13,268,151.30
Obligated balance, start of year (+ or -)	13,268,151.30	4,267,014.44
Obligated balance, end of year (+ or -)	<b>\$ 17,813,595.46</b>	<b>\$ 13,268,151.30</b>
 <b>BUDGET AUTHORITY AND OUTLAYS, NET</b>		
Budget authority, gross (discretionary and mandatory)	\$ 10,000,000.00	\$ 7,500,000.00
Budget authority, net (total) (discretionary and mandatory)	10,000,000.00	7,500,000.00
Outlays, gross (discretionary and mandatory)	4,836,030.72	3,652,126.56
Outlays, net (discretionary and mandatory)	4,836,030.72	3,652,126.56
Agency outlays, net (discretionary and mandatory)	<b>\$ 4,836,030.72</b>	<b>\$ 3,652,126.56</b>

The accompanying notes are an integral part of these statements.







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