



# Northern Border Regional Commission



# 2016

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## ANNUAL REPORT

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



Cover Photo: Beautiful Mt. Katahdin, Maine

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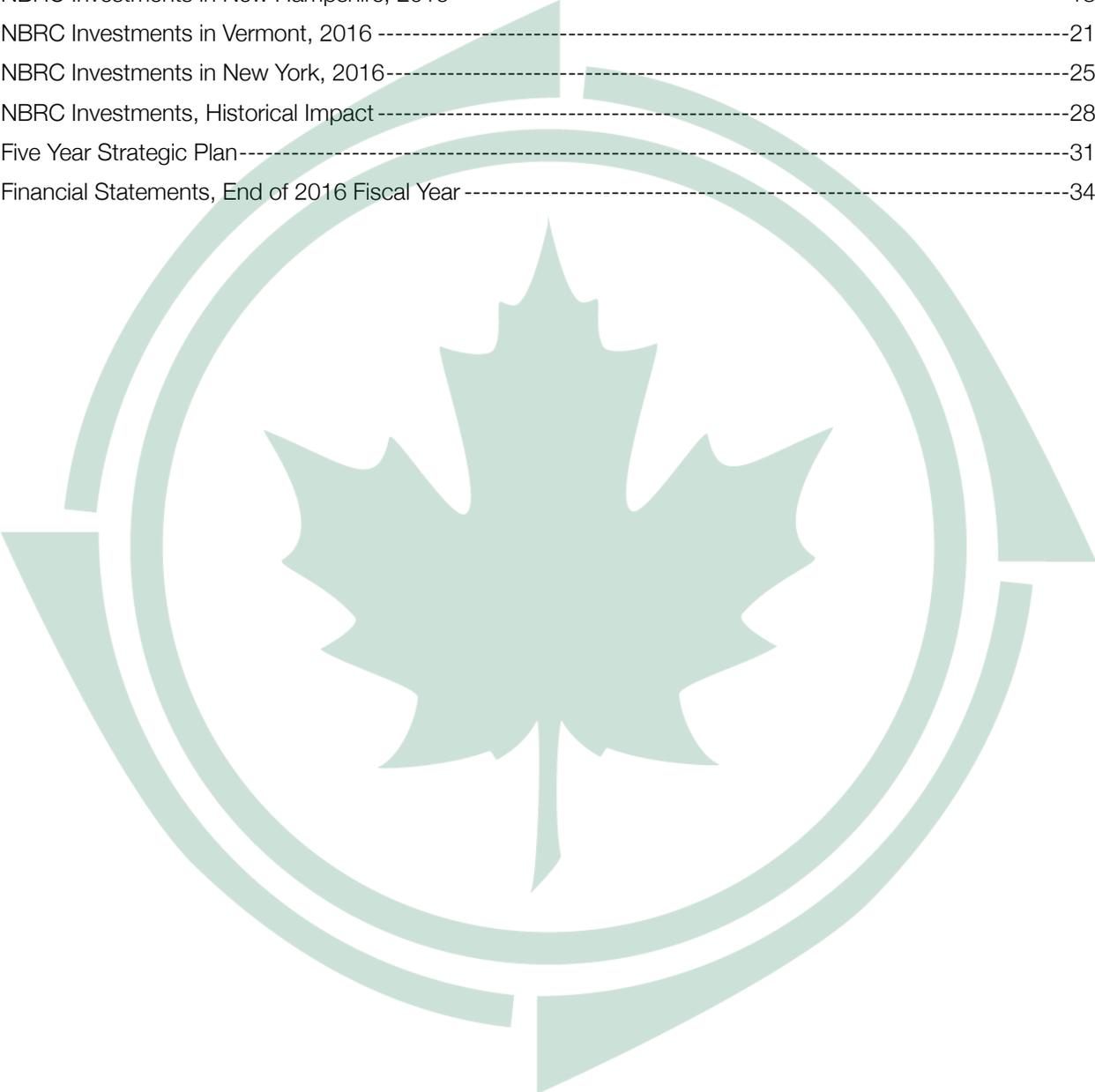
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## Reflections of 2016

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In accordance with USC 40 §15308, I'm pleased to present this 2016 Annual Report on NBRC activities.

If one were to summarize the NBRC's year in review, it would simply state: Impact and Professionalism.

The NBRC's impact was quantified this year by a survey of grant recipients. The results were welcome validation to those who supported the NBRC's funding since its first Congressional appropriations in 2010. From the responses, we can state that 77 new jobs have been created and 307 jobs have been retained as a result of NBRC's grant investments. When calculated, the amount of dollars per each job created or retained comes to only \$12,800; a great investment of funds for jobs for some of America's most distressed counties! More on the survey can be found later in this Annual Report.

The NBRC also became a more professional organization during 2016. Because the NBRC was only created in 2008, it had not fully developed the higher level processes and procedures of most Federal organizations. While this has provided a degree of welcome flexibility in NBRC operations, it also creates inefficiencies in that every precedent-making decision requires an extra degree of thought and planning. I am pleased to report that NBRC's staff and State Members were up to the task.

This year, we hired Christine Frost as the NBRC's first Program Director. Ms. Frost previously led two regional planning commissions in New Hampshire, bringing them up to a higher levels of financial sustainability and respect. Her background in grant administration is only equalled by her operations expertise. During the past year, she overhauled the NBRC's grant application, worked with NBRC's State Members to create a more transparent process of grant approvals, and aligned the NBRC's grants with standard Federal investment practices.

Finally, the level of professionalism by the NBRC's State Members can't be emphasized enough. The Governor and their Alternates from each of four NBRC States take NBRC appropriations seriously and have helped prioritize very high impact projects for NBRC funding. The State Program Managers detailed by each Alternate to work on specific NBRC activities within their States are of the highest caliber.

As the NBRC moves into its seventh year, I know that the future of the region is bright and promising!

Mark Scarano  
Federal Co-Chair  
Northern Border Regional Commission



**Mark Scarano, Federal Co-Chair**

## 2016 NBRC Accomplishments

- **Adoption of a New Five Year Strategic Plan.** As required by statute and as a best practice, the NBRC approved a new Five Year Strategic Plan that will guide NBRC investment decisions and activities from 2017-2021. More detailed information on this plan can be found in the Annual Report.
- **Investments in NBRC Counties.** The NBRC Members unanimously approved \$7,420,186 in grants for economic and community development projects across the four State region.
- **Increased Collaboration between NBRC Members.** Although the NBRC is only six years old, the relationship between the States and Federal Government has developed into a collegial and sincere partnership for economic and community development. The NBRC Members had eight meetings in 2016 compared to only two in 2015. The purpose of these meetings was not only to approve grants but to also develop grant programs and general NBRC operations. The Members agreed to have two in person meetings annually while the State Program Managers and NBRC Program Director will meet more often to iron out details.
- **Grant Rules and Application Overhaul.** The NBRC overhauled the Economic & Infrastructure Development Investment Program application and rules. This included:
  - Increased the level of detail from applicants on their projects, clarified overly broad questions, and eliminated redundant questions.
  - Included more detailed information for applicants on their responsibilities as recipients.
  - Instituted a “Notice to Proceed” process that reduced confusion as to when a successful recipient could request reimbursement of funds.
  - Developed policies for NBRC awards for revolving loan funds (available for 2017 awardees).
  - Greater scoring transparency.
- **Greater Oversight of Grant Recipients.** The NBRC increased the monitoring and accuracy of recipients’ fund administration by certifying sixteen Local Development Districts as NBRC grant administrators.
- **Enhanced NBRC Website Information.** NBRC’s central administration increased dramatically the quantity and quality of information on the NBRC’s website including references to frequently asked funding questions, statistics related to funding, additional funding and helpful resources, budget justification documents, and rights for Freedom of Information. See [www.nbrc.gov](http://www.nbrc.gov)



### NBRC Supports

**Telecommunications** Thanks to the NBRC, the Coos Economic Development Council completed its wireless data and cell phone expansion project for northern New Hampshire in 2016. Celebrating completion of the project is (left to right) Mark Scarano, Federal Co-Chair; US Senator Jeanne Shaheen; Bob Parsloe representing Great North Woods Wireless, and Jeff Rose, NH Governor’s Alternate and Commissioner of the NH Dept of Resources & Economic Development.

- **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.
- **Increased Relationships with Congress.** The NBRC increased its outreach to the four States' Congressional Delegation Members in order to inform them and their staff about the NBRC and 2016 funding changes. The NBRC also met with staff from its respective House and Senate appropriations and oversight committees.

## About the NBRC

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**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 Leadership at 2016 Retreat** (left to right): Chris Way, NH State Program Manager; Christine Frost, NBRC Program Director; Mark Scarano, Federal Co-Chair; Andrea Smith, ME State Program Manager; Dierdre Scozzafava, NY Governor's Alternate; Lucy Leriche, VT Governor's Alternate; Jeff Rose, NH Governor's Alternate; John Butera, ME Governor's Alternate; and Jared Duval, VT State Program Manager.

## 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, Economic Advisor, Office of the Governor  
NBRC Program Manager:  
Andrea Smith, Department of Economic & Community Development



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

The Honorable Maggie Hassan, Governor  
Governor's Alternate:  
Commissioner Jeffrey Rose, Dept. of Resources & Community Development  
NBRC State Program Manager:  
Christopher Way, Dept. of Resources & Community Development



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

The Honorable Peter Schumlin, Governor  
Governor's Alternate:  
Secretary Lucy Leriche, Agency of Commerce & Community Development  
NBRC State Program Manager:  
Jared Duval, Agency of Commerce & Community Development



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

The Honorable Andrew Cuomo, Governor  
Governor's Alternate:  
Deputy Secretary of State Dierdre Scozzafava, 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.

### **The Federal Co-Chair**

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.

### **The States' Governors**

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.

### **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 (vacant)**

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. In keeping with the informal nature of the NBRC, its small appropriations, and limited number of Governors, the need for one of the four Governors to be a State Co-Chair has not been prioritized by the States and the post remains vacant.

### **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. As such, the Executive Director's post has remained vacant.

## 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



**NBRC Award Celebration:** Selectboard Members and Water & Sewer Commissioners from Ashland, New Hampshire invited the NBRC Federal and State partners to celebrate the \$250,000 NBRC award that will upgrade their wastewater receiving station. The improvement is part of a larger redevelopment effort of the Town's former woolen mill.

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

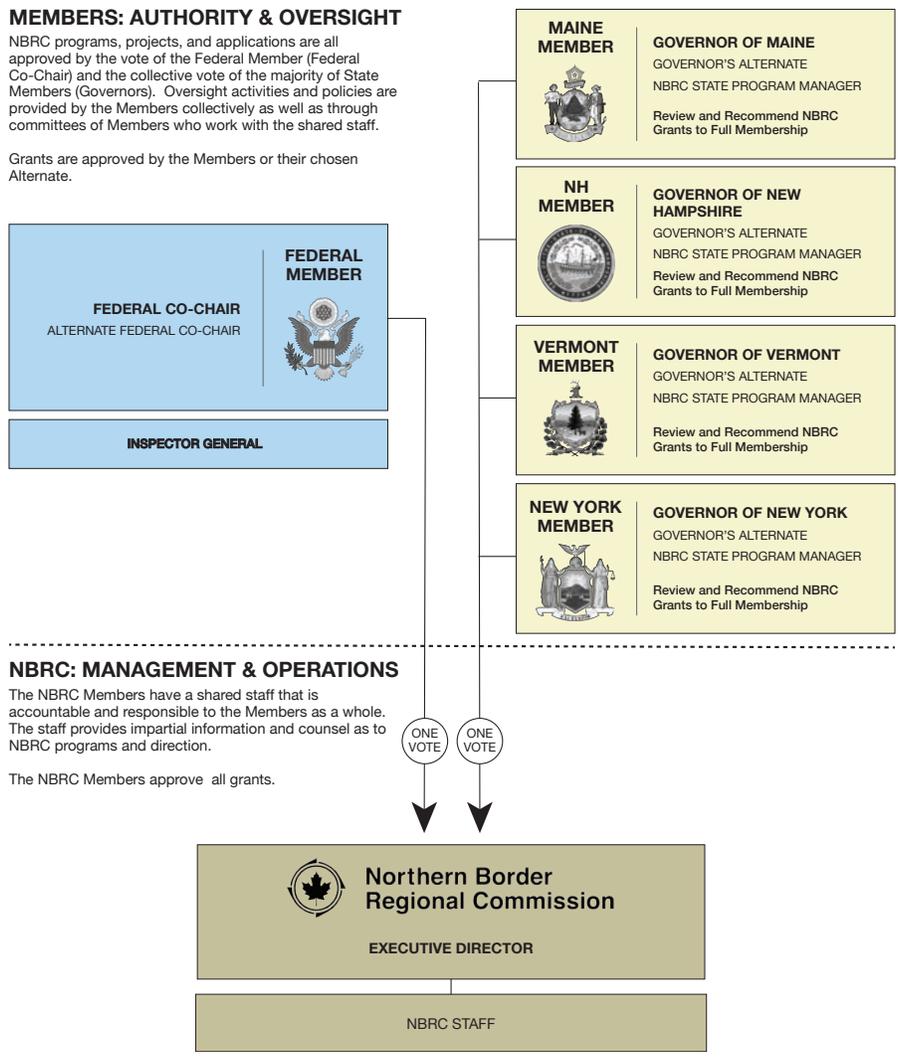
Currently, the Federal Government is paying 100% of the costs of the shared staff.

### Commission Operational Costs

All 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. In November, 2015 the Federal Co-Chair alerted the States about their financial responsibilities to the NBRC and discussions continue as to when and how much they will be contributing.

### Organization Chart: How the NBRC Functions



## 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

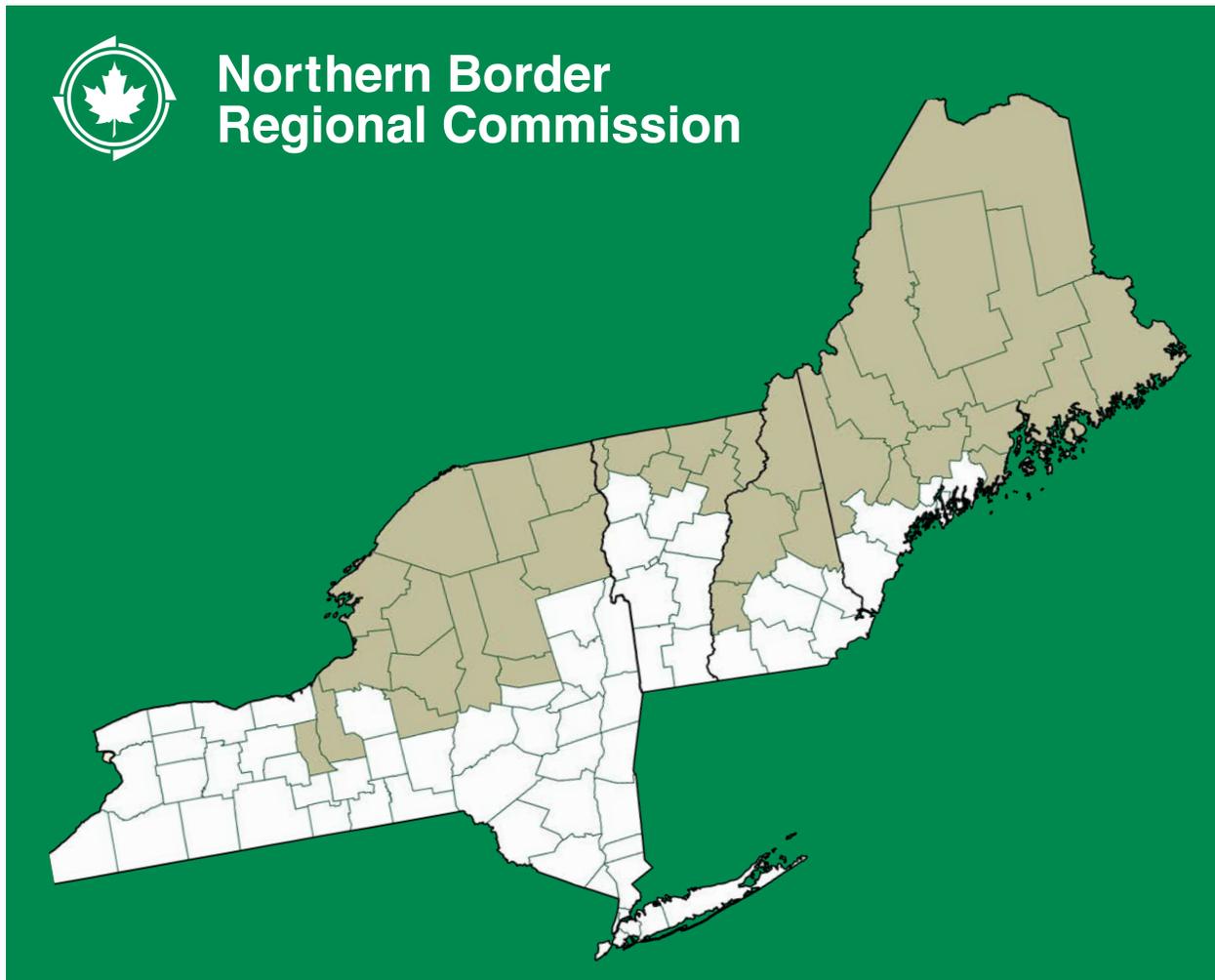
Caledonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties

### 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, and St. Lawrence 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 County.
- New Hampshire: Carroll County.
- Vermont: Franklin and Lamoille counties.
- New York: Seneca County.

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.”

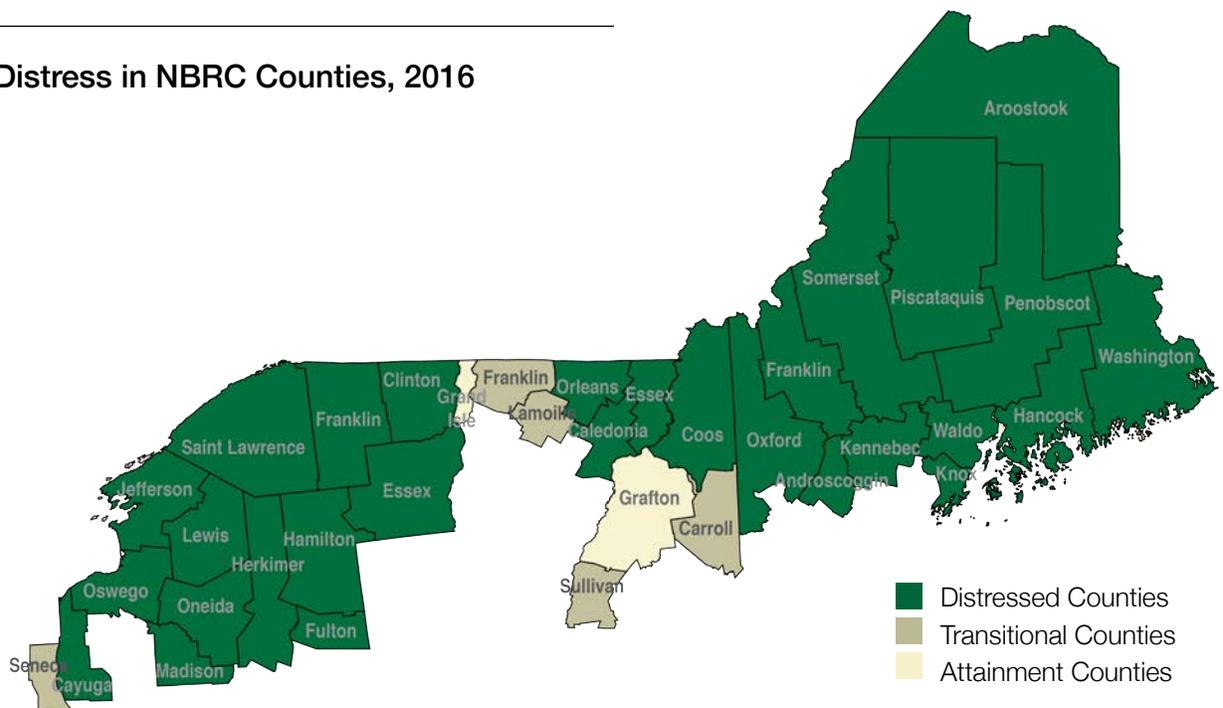
There were two counties that were classified as Attainment counties:

- New Hampshire: Grafton County
- Vermont: Grand Isle County.

Out of the 44 municipalities within Grafton and Grand Isle counties, 26 were considered Isolated Areas of Distress.

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### Distress in NBRC Counties, 2016



## NBRC Investments, 2016

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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, 2016

Number of Awards:	43
Total Amount of NBRC Funds Awarded:	\$7,488,186
Total Amount of Matching Funds:	\$43,738,103
Ratio of Awarded Funds to Match:	1:5.8
Awards Serving a Distressed County:	91%
Awards that are Infrastructure:	48%

### Information on All NBRC Applicants for Assistance, 2016

Total Number of Applicants:	83
Total Amount of Funds sought by Applicants:	\$16,536,984
Percent of Applications Funded	45%

### Summary of the 2016 EID Investment Program

- \$1.8MM+/- for EID grants in each State
- \$250,000 maximum grants to eligible projects in eligible counties.
- 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.
- Projects were eligible for a 50% matching grant in Hancock County, Maine; Carroll and Sullivan counties in New Hampshire, Franklin and Lamoille counties in Vermont, and Seneca County, New York.
- Projects were eligible for an 80% matching grant in the remaining NBRC counties except for Attainment Counties.
- There were two Attainment Counties in 2016 including Grafton County, New Hampshire and Grand Isle County, Vermont. Projects in these counties were generally not eligible unless they were in a designated "isolated area of distress"\* in which they 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.

## 2016 Grant Schedule

The 2016 schedule for EID applications and approval included:

03/14/16 ----- Grant applications available

06/10/16 ----- Application deadline

06/30/16 ----- States certify applications as complete. NBRC certifies eligibility of apps

07/22/16 ----- States complete scoring of apps

07/29/16 ----- States' Alternates and Fed Co-Chair meet to approve applications

08/01/16 ----- Following receipt of prioritized list letters from Governors, notification of awarded and denied applications



### **NBRC Congressional Outreach**

The NBRC made a concerted effort to inform Members of Congress about NBRC initiatives and gain feedback on their economic development concerns. Left to right: US Senator Susan Collins, NBRC Federal Co-Chair Mark Scarano, and NBRC Program Director Christine Frost during a July, 2016 visit to Capitol Hill.

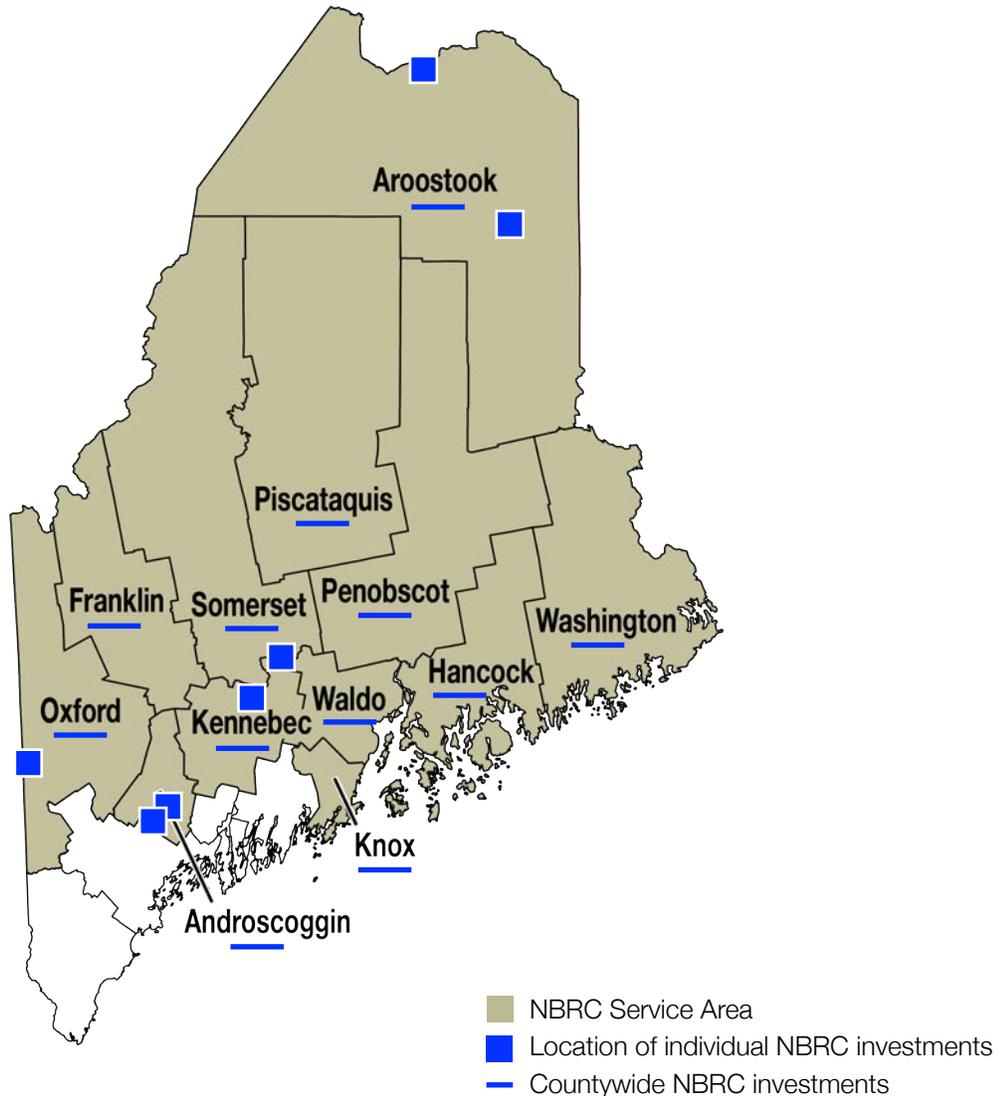
# NBRC Investments in Maine, 2016

## Information on Economic & Infrastructure Grants Awarded in Maine, 2016

Number of Awards:	8
Total Amount of NBRC Funds Awarded:	\$1,996,186
Total Amount of Matching Funds:	\$6,687,170
Ratio of Awarded Funds to Match:	1:3.3
Awards Serving a Distressed County:	100%
Awards that are Infrastructure:	62%

## Information on All Applicants for Assistance in Maine, 2016

Total Number of Applicants:	24
Total Amount of Funds sought by Applicants:	\$5,587,088



- (1) **Awarded to:** **Town of Pittsfield**  
**Project:** The replacement of a failing obsolete sewer line that will allow for expansion of a business to the 31 acre SAS Industrial Complex.  
**Location of Project:** Pittsfield, Somerset County, Maine (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$510,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (2) **Awarded to:** **Central Maine Community College**  
**Project:** To renovate and expand the precision manufacturing lab at CMCC. This business and workforce development project will support the retention and/or expansion of regional precision manufacturing companies by providing skills training to new and incumbent workers.  
**Location of Project:** Auburn, Androscoggin County, Maine (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$1,135,200  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (3) **Awarded to:** **City of Auburn**  
**Project:** Project includes the acquisition and demolition of key property and building, construction of a new Riverway Road, adjust a floodplain boundary, create a new 68 space parking lot, create new commercial and residential buildable space, and retain jobs at two businesses.  
**Location of Project:** Auburn, Androscoggin County, Maine (CD-2)  
**Grant Amount:** \$246,186  
**Match Amount:** \$492,372  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (4) **Awarded to:** **Maine Dept of Transportation**  
**Project:** To upgrade the Sheridan Rail Bridge on the State-owned Madawaska subdivision to allow 286,000 pound rail car loadings at 25 mph track speeds. 286,000 is the current modern standard for rail cars in the national system.  
**Location of Project:** Madawaska, Aroostook County, Maine (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$2,400,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (5) **Awarded to:** **Snow Pond Center for the Arts**  
**Project:** To upgrade infrastructure on and around the historic 1930 outdoor amphitheater and new construction of a 4,400 square foot Expanded Learning Center.  
**Location of Project:** Sidney, Kennebec County, Maine (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$483,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (6) **Awarded to:** **Maine Dept of Labor**  
**Project:** Project will provide financial assistance for competitive “upskilling” that advances a minimum of 25 companies and 125 workers to a higher level of competitive performance. Funds will be used to help companies with apprenticeship, classroom, on-the-jobs and pre-hiring training services.  
**Location of Project:** All NBRC Counties in Maine (CD-1 and CD-2)  
**Grant Amount:** \$250,000

**Match Amount:** \$121,780  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (7) **Awarded to:** **Presque Isle Regional Airport**  
**Project:** Project will help construct a five unit clear span, heater hanger primarily for the mede-vac aircraft but to also attract business aviation clients who used aircraft to maintain access to regional clientele and medical professionals.
- Location of Project:** Presque Isle, Aroostook County, Maine (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$794,818  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (8) **Awarded to:** **Eastern Slope Airport**  
**Project:** Project includes the construction of a new aircraft hangar to attract new seasonal visitors and outside investors.  
Note: this is a multi-State application in which the Eastern Slope Airport also applied for \$250,000 in NBRC funds from New Hampshire's allotment. The applicant may receive up to a total of \$500,000 from the NBRC.
- Location of Project:** Fryburg, Oxford County, Maine (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$750,000



**NBRC Supports Transportation Infrastructure in Maine** NBRC provided a \$250,000 award to the Eastern Slope Airport in Fryburg, Maine to assist with new hangar construction. The NBRC also awarded \$250,000 to the Presque Isle Regional Airport in Aroostook County, Maine.

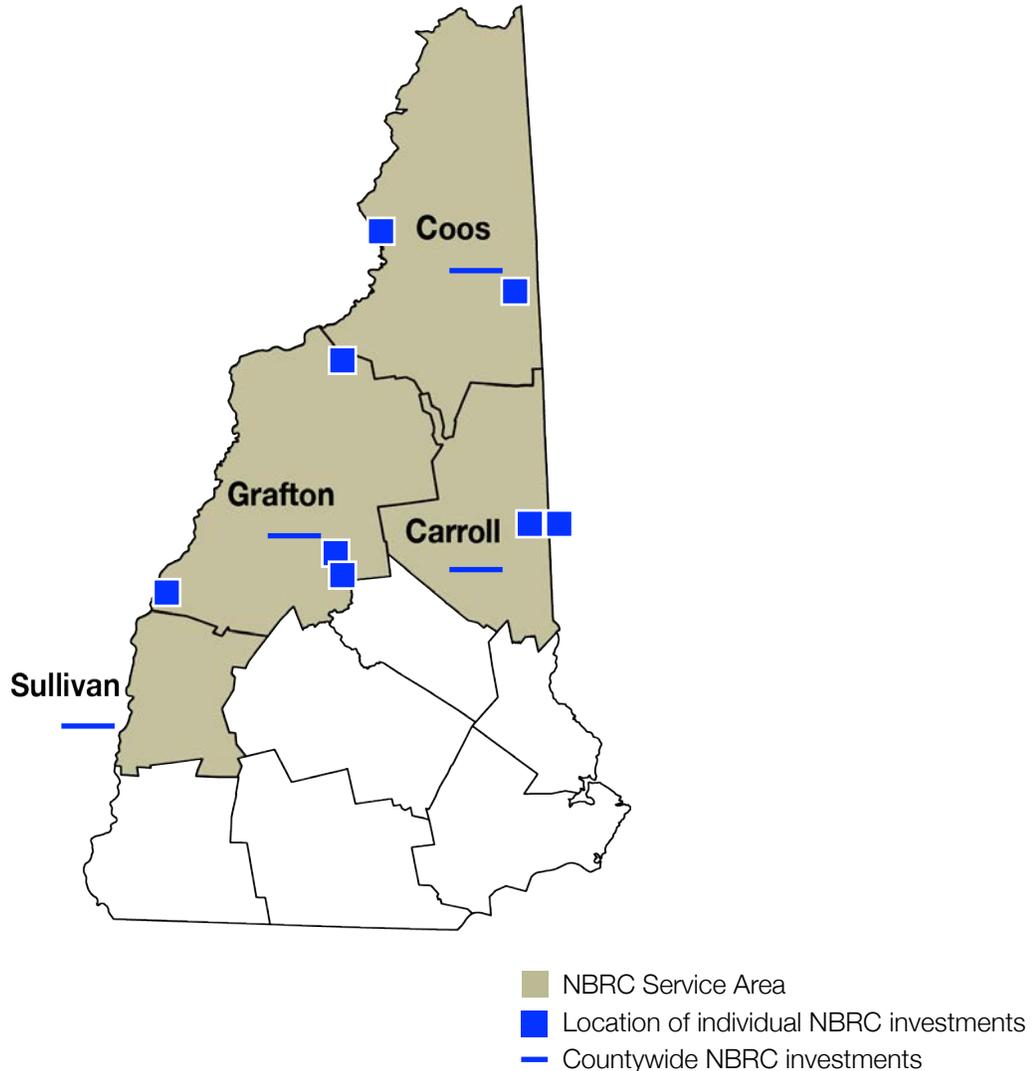
# NBRC Investments in New Hampshire, 2016

## Information on Economic & Infrastructure Grants Awarded in New Hampshire, 2016

Number of Awards:	\$13
Total Amount of NBRC Funds Awarded:	\$1,800,000
Total Amount of Matching Funds:	\$19,557,067
Ratio of Awarded Funds to Match:	1:10.8
Awards Serving a Distressed County:	49%
Awards that are Infrastructure:	47%

## Information on All Applicants for Assistance in New Hampshire, 2016

Total Number of Applicants:	23
Total Amount of Funds sought by Applicants:	\$3,537,770



- (1) **Awarded to:** **NH Dept of Resources & Economic Development**  
**Project:** To support the creation of a five-year economic development strategy for New Hampshire that will align economic development resources across agencies and organizations to address the State's most pressing economic development needs.  
**Location of Project:** Carroll, Coos, Grafton, and Sullivan counties (CD-1, CD-2)  
**Grant Amount:** \$50,000  
**Match Amount:** \$250,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (2) **Awarded to:** **Eastern Slope Airport**  
**Project:** Project includes the construction of a new aircraft hangar to attract new seasonal visitors and outside investors.  
Note: this is a multi-State application in which the Eastern Slope Airport also applied for \$250,000 in NBRC funds from Maine's allotment. The applicant may receive up to a total of \$500,000 from the NBRC.  
**Location of Project:** Fryburg, Oxford County, Maine (CD-2) economic influence on Conway, Carroll County, New Hampshire (CD-1)  
**Grant Amount:** \$250,000  
**Match Amount:** \$750,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (3) **Awarded to:** **Town of Northumberland**  
**Project:** The former Groveton Mill site is being repurposed for an industrial park with room for approximately nine buildings (two of which currently exist). The grant will provide funding to construct critical water and sewage infrastructure at the mill site.  
**Location of Project:** Northumberland, Coos County, New Hampshire (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$800,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (4) **Awarded to:** **Town of Littleton**  
**Project:** The project will construct one mile of multi-modal trail connecting and existing regional system within the River District Revitalization project.  
**Location of Project:** Littleton, Grafton County, New Hampshire (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$490,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (5) **Awarded to:** **Grafton Regional Development Corporation**  
**Project:** To support improvements at the Enterprise Center in Plymouth, including the completion of an office suite which will assist the Center to incubate and build more startup businesses.  
**Location of Project:** Plymouth, Grafton County, New Hampshire (CD-2)  
**Grant Amount:** \$93,662  
**Match Amount:** \$600,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (6) **Awarded to:** **New England Ski Museum**  
**Project:** To renovate the former North Conway Community Center into a branch of the New England Ski Museum. Interior renovations and installation of exhibits will result in new visitation estimated at 38,000 visitors per year, enhanced cultural offerings in North Conway and improvement of the no-profit museum.
- Location of Project:** North Conway, Carroll County, New Hampshire (CD-1)  
**Grant Amount:** \$100,000  
**Match Amount:** \$100,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (7) **Awarded to:** **Ashland Water and Sewer Department**  
**Project:** To help fund a new septage receiving station that will increase septage in-take into the existing wastewater plant by 30%. This will enable the town to generate additional revenue, which in turn will be used to improve water and sewer infrastructure to revitalize Ashland's struggling mill area.
- Location of Project:** Ashland, Grafton County, New Hampshire (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$532,785
- (8) **Awarded to:** **River Valley Community College**  
**Project:** Funds will allow River Valley community College to finish renovations to the Lebanon Academic Center in downtown Lebanon.
- Location of Project:** Lebanon, Grafton County, New Hampshire (CD-2)  
**Grant Amount:** \$150,000  
**Match Amount:** \$518,860  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (9) **Awarded to:** **City of Berlin**  
**Project:** To construct the first phase of a multi-use trail and river walk adjacent to the Androscoggin River. The project will provide improved access for a variety of recreational uses that will serve to create more tourism opportunities in Berlin as the community works to provide more destination activities to spur economic development.
- Location of Project:** Berlin, Coos County, New Hampshire (CD-2)  
**Grant Amount:** \$250,000  
**Match Amount:** \$62,232  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program



**NBRC Supports Workforce Development in New Hampshire**

NBRC provided River Valley Community College with \$150,000 to renovate its recently purchased satellite center in downtown Lebanon, New Hampshire.

Left to right: River Valley Community College President Alicia Harvey-Smith, NH Community College System Chancellor Russ Gittel, NH Dept of Resources & Economic Development Commissioner Jeff Rose, and NBRC Federal Co-Chair Mark Scarano.

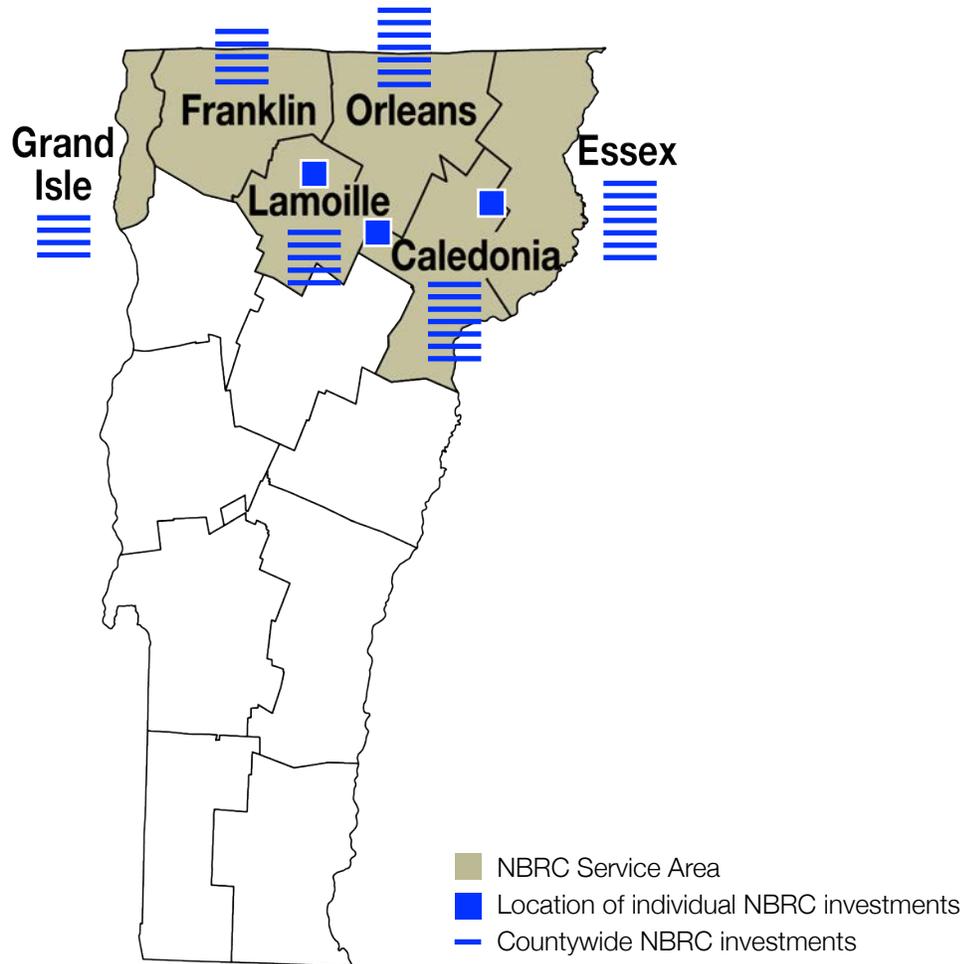
# NBRC Investments in Vermont, 2016

## Information on Economic & Infrastructure Grants Awarded in Vermont, 2016

Number of Awards:	14
Total Amount of NBRC Funds Awarded:	\$1,824,000
Total Amount of Matching Funds:	\$2,942,960
Ratio of Awarded Funds to Match:	1:1.6
Awards Serving a Distressed County:	85%
Awards that are Infrastructure:	14%

## Information on All Applicants for Assistance in Vermont, 2016

Total Number of Applicants:	21
Total Amount of Funds sought by Applicants:	\$3,661,260



- (1) **Awarded to:** **Burke Racing**  
**Project:** Project will help replace a 61 year old lift with a new T-bar lift at Burke Mountain which will allow Burke Mountain to become an official US Ski Team Development Site.  
**Location of Project:** Town of Burke, Caledonia County, Vermont (CD-1)  
**Grant Amount:** \$240,000  
**Match Amount:** \$1,260,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (2) **Awarded to:** **Northeast Organic Farmers of Vermont**  
**Project:** To provide technical assistance to 45 small and medium size dairies that are seeking to transition to organic products.  
**Location of Project:** Celedonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$54,985  
**Match Amount:** \$25,875  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (3) **Awarded to:** **Vermont Housing & Conservation Board**  
**Project:** To provide technical assistance services to up to 26 “Working Lands” businesses. The assistance will assist the businesses to create or retain 75 jobs, help increase sales by 50%, and over \$1.6 million in capital accessed for participating businesses.  
**Location of Project:** Celedonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$164,558  
**Match Amount:** \$43,412  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (4) **Awarded to:** **Town of Crafbsbury**  
**Project:** To help install 15 miles of broadband fiber optic cable lines in Craftsbury as well as “lighting up” an additional 19 mile section of existing dark fiber through Craftsbury, Greensboro, Albany, and Hardwick.  
**Location of Project:** Craftsbury, Orleans County, Vermont (CD-1)  
**Grant Amount:** \$212,403  
**Match Amount:** \$257,262  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (5) **Awarded to:** **Forestille Foundation**  
**Project:** To assist with Craftsbury’s Village Center’s revitalization and help local businesses, the Foundation proposes to renovate an iconic building into co-working and office spaces as well as space for a restaurant.  
**Location of Project:** Craftsbury, Orleans County, Vermont (CD-1)  
**Grant Amount:** \$250,000  
**Match Amount:** \$296,441  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (6) **Awarded to:** **Northeast Vermont Development Association**  
**Project:** To assist Quebec businesses seeking to create operations into Vermont by expanding the Vermont Quebec Enterprise Initiative to the Northeast Kingdom.  
**Location of Project:** Celedonia, Essex, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$150,000  
**Match Amount:** \$142,000

- Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (7) **Awarded to:** **Vermont Employee Ownership Center**  
**Project:** To further capitalize the Center's revolving loan fund that provides loans to employee ownership conversions.  
**Location of Project:** Celedonia, Essex, Franklin, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$40,000  
**Match Amount:** \$20,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (8) **Awarded to:** **Catamount Film & Arts**  
**Project:** To purchase a mobile stage for multiple community festivals in coordination with municipal and non profit partners as well as Lyndon State College's music industry program.  
**Location of Project:** Celedonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$176,665  
**Match Amount:** \$175,627  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (9) **Awarded to:** **Vermont Dept. of Public Service and the Northern Forest Center**  
**Project:** To capitalize DPS's Clean Energy Development Fund that will assist public serving institutions to convert to wood pellet boilers. The conversion will help grow Vermont's nascent modern wood heat sector.  
**Location of Project:** Celedonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$76,667  
**Match Amount:** \$70,893  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (10) **Awarded to:** **Umbrella, Inc.**  
**Project:** To support a "Community Visit" project that will assist a Northeast Kingdom community to set priorities, construct action plans, and advance community and economic development projects.  
**Location of Project:** Celedonia, Essex, and Orleans counties, Vermont (CD-1)  
**Grant Amount:** \$163,760  
**Match Amount:** \$156,686  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (11) **Awarded to:** **Vermont Council on Rural Development**  
**Project:** To support a "Community Visit" project that will assist a Northeast Kingdom community to set priorities, construct action plans, and advance community and economic development projects.  
**Location of Project:** Franklin County, Vermont (CD-1)  
**Grant Amount:** \$28,667  
**Match Amount:** \$7,166  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (12) **Awarded to:** **Community College of Vermont**  
**Project:** Working with local manufacturers and partner institutions, CCV, and the Franklin/Grand Isle WIB have put together a well-planned proposal for workforce development in the manufacturing sector. This project would train 60 individuals over three years.  
**Location of Project:** Franklin County, Vermont (CD-1)  
**Grant Amount:** \$167,445

**Match Amount:** \$227,445  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (13) **Awarded to:** **Lamoille Housing Partnership**  
**Project:** To install solar PV panels on the rooftops of 11 high efficiency manufactured homes in Hardwick. These homes will be owned by Lamoille Housing Partnership and rented to low income individuals and families.
- Location of Project:** Hardwick, Caledonia County, Vermont (CD-1)  
**Grant Amount:** \$48,847  
**Match Amount:** \$160,153  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program

- (14) **Awarded to:** **Lamoille Regional Solid Waste Management District**  
**Project:** This project would re-purpose the currently unused Johnson bio-solids facility for processing of organic materials, filling a gap in north-central Vermont for a composting facility. This investment will help extend the life of the State's lone landfill in Coventry, will help LRSWMD comply with the mandate of the Universal Recycling Law, and will also help LRSWMD develop a source of revenue to offset costs and reduce user fees
- Location of Project:** Lamoille County, Vermont (CD-1)  
**Grant Amount:** \$50,000  
**Match Amount:** \$100,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program



**NBRC Supports Vermont** NBRC's Vermont State partners as well as the Vermont Congressional Delegation organized an announcement for the NBRC's 2016 awards at the venerable Fairbanks Museum in St. Johnsbury, Vermont. The Museum was a recipient of a 2015 NBRC award.

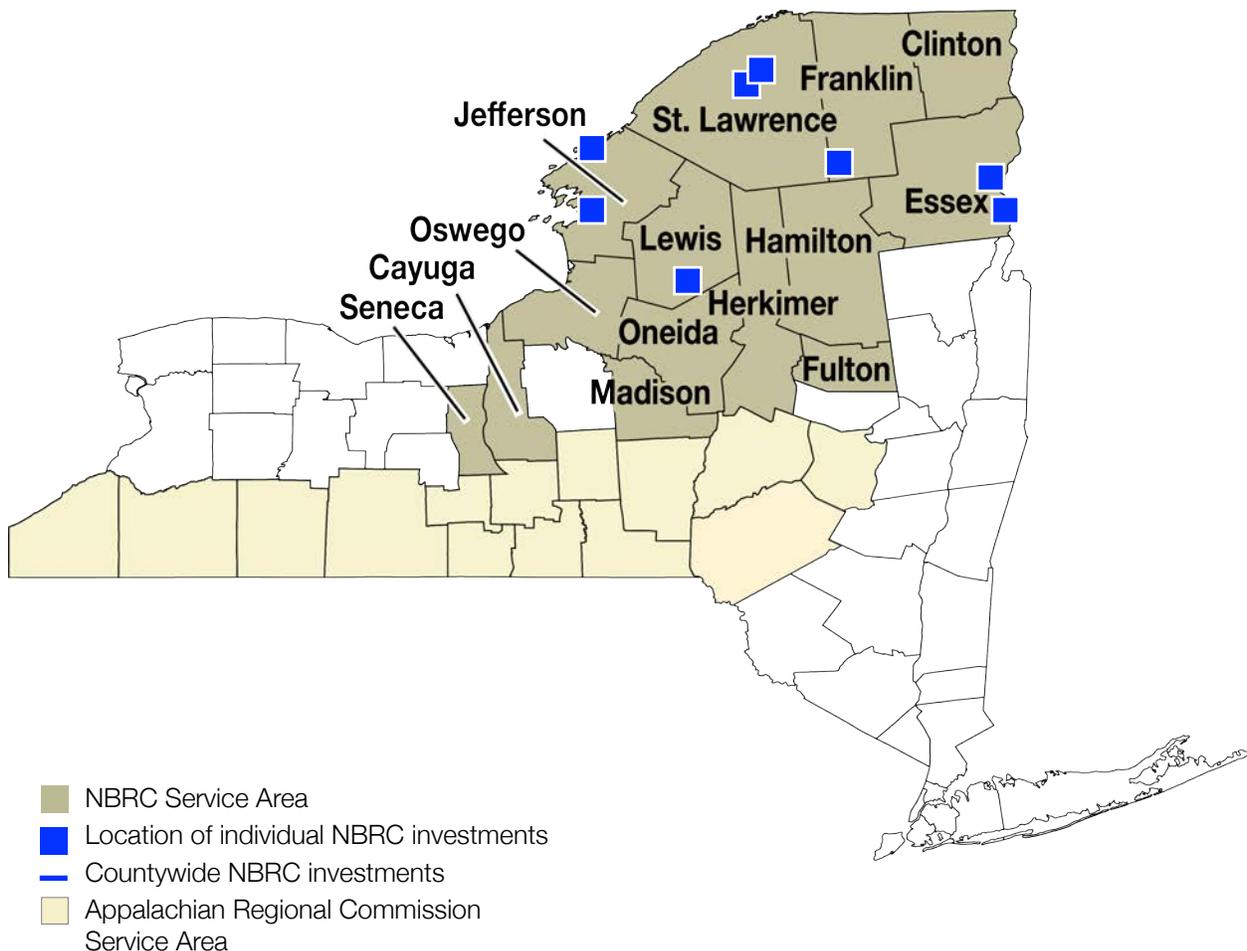
## NBRC Investments in New York, 2016

### Information on Economic & Infrastructure Grants Awarded in New York, 2016

Number of Awards:	8
Total Amount of NBRC Funds Awarded:	1,800,000
Total Amount of Matching Funds:	\$14,820,981
Ratio of Awarded Funds to Match:	1:8.2
Awards Serving a Distressed County:	100%
Awards that are Infrastructure:	65%

### Information on All Applicants for Assistance in New York, 2016

Total Number of Applicants:	14
Total Amount of Funds sought by Applicants:	3,188,506



- (1) **Awarded to:** **Village of Tupper Lake**  
**Project:** This project will result in the construction of municipal public water system improvements that are necessary to support the Adirondack Club and Resort (ACR) development in the Tupper Lake region.  
**Location of Project:** Tupper Lake, Franklin County, New York (CD-21)  
**Grant Amount:** \$250,000  
**Match Amount:** \$1,125,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (2) **Awarded to:** **Village of Canton**  
**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:** Canton, St. Lawrence County, New York (CD-21)  
**Grant Amount:** \$250,000  
**Match Amount:** \$933,050  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (3) **Awarded to:** **Town of Elizabethtown**  
**Project:** The project will help develop a sewer and wastewater treatment system in the hamlet of Elizabethtown. Currently, the wastewater has been managed by individual on-site systems, which are failing. The project is required for the commercial and economic growth of the town.  
**Location of Project:** Elizabethtown, Essex County, New York (CD-21)  
**Grant Amount:** \$250,000  
**Match Amount:** \$9,216,246  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (4) **Awarded to:** **Village of Clayton**  
**Project:** The project will help upgrade to the streets, water, waste water and utility lines in the Village's historic shopping center.  
**Location of Project:** Clayton, Jefferson County, New York (CD-21)  
**Grant Amount:** \$250,000  
**Match Amount:** \$395,000  
**Grant Awarded:** Economic & Infrastructure Development (EID) Grant Program
- (5) **Awarded to:** **Village of Lyons Falls**  
**Project:** Project will install new water lines for the development of a United Cerebral Palsy residential facility that will be built in 2017 and will create sixteen new jobs. The water line also has the potential to create a more effective infrastructure loop for additional economic development.  
**Location of Project:** Lyons Falls, Lewis County, New York (CD-21)  
**Grant Amount:** \$164,300  
**Match Amount:** \$382,111

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

- (6) **Awarded to:** **Clarkson University**  
**Project:** The project will continue the conversion of Damon Hall (11,000 net square feet) into light manufacturing incubator space, creating new spaces for startups.

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

**Grant Amount:** \$250,000

**Match Amount:** \$1,647,100

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

- (7) **Awarded to:** **Tug Hill Tomorrow Land Trust**  
**Project:** The project will expand the use of conservation easements (purchasing the development rights) on two working farms near Fort Drum. This project will add to the over 6,900 acres of already protected farmland in the area and helping secure the training capabilities of Fort Drum.

**Location of Project:** Town of Rossie and Fowler, St. Lawrence County, New York and the Town of Philadelphia, Jefferson County, New York (CD-21)

**Grant Amount:** \$246,250

**Match Amount:** \$827,500

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

- (8) **Awarded to:** **Essex County**  
**Project:** For structural improvements to the County Fish Hatchery which will increase the yield of trophy-sized trout reared and released into area waters, enhancing the recreational fishing tourism industry.

**Location of Project:** Town of Crown Point, Essex County, New York (CD-21)

**Grant Amount:** \$247,539

**Match Amount:** \$169,974

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



### **NBRC Supports Entrepreneurship in New York**

The NBRC helped turn the first shovel for Clarkson University's new Damon Hall Business Incubator. In 2016, the NBRC awarded \$250,000 to Clarkson in order to expand the building for business incubation purposes.

Left to right: NBRC Federal Co-Chair Mark Scarano, New York Governor's Alternate for NBRC Dierdre "Dede" Scozzafava, Clarkson University President Tony Collins, and LC Drives CEO Russ Marvin.

## NBRC Investments, Historical Impact

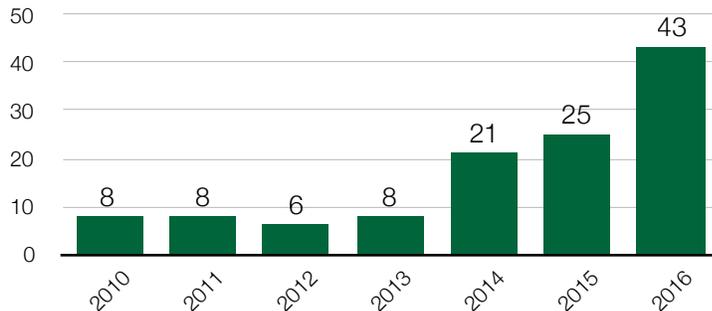
Founded in 2008, the NBRC Federal-State partnership offers an annual economic and community development grant program. Because of recent appropriations increases, 60% of awards have been made only within the last two years.

### Total NBRC Awards (Data for all our States, 2010-2016)

408	Total applications received
\$114,620,475	Total amount requested
29%	% of applications awarded
119	Number of awards
\$21,237,477	Amount of awards
\$178,466	Average award amount
\$76,318,933	Matching amounts
1:3.5	Ratio of award to match

### 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.



### 2016 Impact Survey

The NBRC has surveyed past award recipients in order to gauge success of the program. While the NBRC plans on funding a more complete and thorough impact analysis in the future, the immediate results speak highly of the program's impact in some of the northeast's most distressed counties.

26 or 35% of total	Number of respondents
77	Reported actual new jobs
307	Reported actual retained jobs
\$12,800	Award amount per job created and/or retained

### Maine Awards (2010-2016)

122	Total Applications Received
\$37,402,265	Total Amount Requested
26	Number of awards
\$5,441,486	Amount of awards
\$209,288	Average award amount
\$20,270,985	Matching amounts
1:3.7	Ratio of award to match



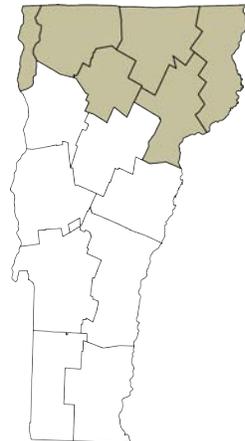
### New Hampshire Awards (2010-2016)

65	Total Applications Received
\$12,236,545	Total Amount Requested
31	Number of awards
\$5,067,100	Amount of awards
\$163,455	Average award amount
\$23,593,032	Matching amounts
1:4.6	Ratio of award to match



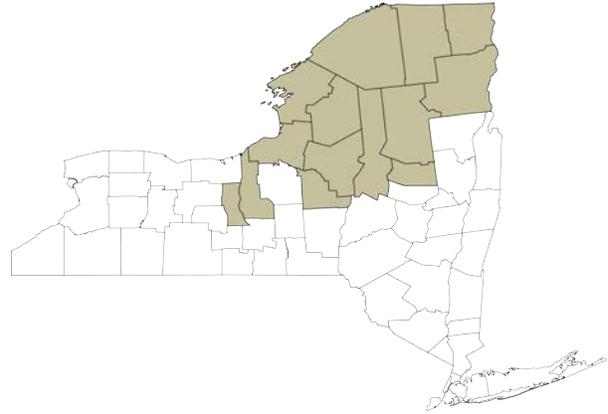
### Vermont Awards (2010-2016)

64	Total Applications Received
\$15,256,528	Total Amount Requested
35	Number of awards
\$5,413,185	Amount of awards
\$154,664	Average award amount
\$5,950,933	Matching amounts
1:1	Ratio of award to match



## New York Awards (2010-2016)

154	Total Applications Received
\$49,725,137	Total Amount Requested
27	Number of awards
\$5,315,705	Amount of awards
\$196,878	Average award amount
\$26,504,043	Matching amounts
1:49	Ratio of award to match



## Five Year Strategic Plan

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.

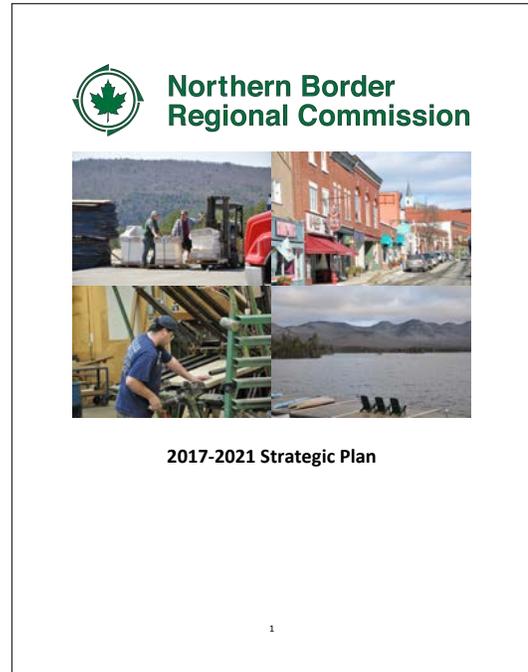
Objective 1.3: Energy. Stabilize and reduce electric and thermal energy costs.

### **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 2016 Fiscal Year

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In FY 2016 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, 2016.

**NORTHERN BORDER REGIONAL COMMISSION**

**GENERAL FUND**

**FINANCIAL STATEMENTS**

**As Of And For The Years Ended September 30, 2016 and 2015**

**NORTHERN BORDER REGIONAL COMMISSION**  
BALANCE SHEET

As Of September 30, 2016 and 2015

	2016	2015
<b>Assets:</b>		
<b>Intragovernmental:</b>		
Fund Balance With Treasury (Note 2)	\$ 13,577,376.44	\$ 9,729,503.00
<b>Total Intragovernmental</b>	13,577,376.44	9,729,503.00
<b>Assets With The Public:</b>		
<b>Other:</b> (Note 3)		
Advances and Prepayments	100,864.00	100,864.00
<b>Total Assets</b>	\$ 13,678,240.44	\$ 9,830,367.00
<b>Liabilities:</b> (Note 4)		
<b>Intragovernmental:</b>		
<b>Other:</b> (Note 5)		
Employer Contributions and Payroll Taxes Payable	\$ 2,998.43	\$ 2,085.48
<b>Total Intragovernmental</b>	2,998.43	2,085.48
<b>Liabilities With the Public:</b>		
Accounts Payable	248,904.14	
<b>Other:</b> (Note 5)		
Accrued Funded Payroll and Leave	11,073.60	8,424.96
Employer Contributions and Payroll Taxes Payable	507.61	395.17
Unfunded Leave (Note 9)		5,524.47
<b>Total Liabilities</b>	\$ 263,483.78	\$ 16,430.08
<b>Net Position:</b>		
Unexpended Appropriations - All Other Funds (Consolidated Totals)	\$ 13,414,756.66	\$ 9,819,461.39
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		(5,524.47)
<b>Total Net Position - All Other Funds (Consolidated Totals)</b>	13,414,756.66	9,813,936.92
<b>Total Net Position</b>	\$ 13,414,756.66	\$ 9,813,936.92
<b>Total Liabilities and Net Position</b>	\$ 13,678,240.44	\$ 9,830,367.00

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, 2016 and 2015**

	2016	2015
<b>Program Costs:</b>		
<b>NBRC:</b>		
<b>Gross Costs</b>	(Note 6)    \$    3,911,900.76	\$    2,035,899.95
<b>Net Program Costs</b>	3,911,900.76	2,035,899.95
<b>Net Cost of Operations</b>	\$    3,911,900.76	\$    2,035,899.95

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, 2016 and 2015**

FY 2016 (CY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
<b>Cumulative Results of 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 CHANGES IN NET POSITION**  
**As Of And For The Years Ended September 30, 2016 and 2015**

FY 2015(PY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
<b>Cumulative Results of Operations:</b>				
Beginning Balances		\$ (6,061.44)		\$ (6,061.44)
<b>Budgetary Financing Sources:</b>				
Appropriations used		2,024,968.07		2,024,968.07
<b>Other Financing Sources (Non-Exchange):</b>				
Imputed financing		11,468.85		11,468.85
Total Financing Sources		2,036,436.92		2,036,436.92
Net Cost of Operations		2,035,899.95		2,035,899.95
Net Change		536.97		536.97
<b>Cumulative Results of Operations</b>		<b>(5,524.47)</b>		<b>(5,524.47)</b>
<b>Unexpended Appropriations:</b>				
Beginning Balance		6,844,429.46		6,844,429.46
<b>Budgetary Financing Sources:</b>				
Appropriations received		5,000,000.00		5,000,000.00
Appropriations used		(2,024,968.07)		(2,024,968.07)
Total Budgetary Financing Sources		2,975,031.93		2,975,031.93
Total Unexpended Appropriations		9,819,461.39		9,819,461.39
Net Position		<b>\$ 9,813,936.92</b>		<b>\$ 9,813,936.92</b>

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, 2016 and 2015

	<u>2016</u> <u>Budgetary</u>	<u>2015</u> <u>Budgetary</u>
<b>BUDGETARY RESOURCES</b>		
Unobligated balance brought forward, October 1	\$ 5,462,488.56	\$ 4,695,010.07
Recoveries of prior year unpaid obligations (unobligated balances)	234,882.82	114,520.49
Unobligated balance from prior year budget authority, net	5,697,371.38	4,809,530.56
Appropriations (discretionary and mandatory)	7,500,000.00	5,000,000.00
<b>Total budgetary resources</b>	<u>\$ 13,197,371.38</u>	<u>\$ 9,809,530.56</u>
 <b>STATUS OF BUDGETARY RESOURCES</b>		
Obligations incurred	(Note 7) \$ 12,888,146.24	\$ 4,347,042.00
Apportioned	282,667.32	5,347,968.07
Unapportioned	26,557.82	114,520.49
Unobligated balance brought forward, end of year	309,225.14	5,462,488.56
<b>Total budgetary resources</b>	<u>\$ 13,197,371.38</u>	<u>\$ 9,809,530.56</u>
 <b>CHANGE IN OBLIGATED BALANCE</b>		
Unpaid obligations, brought forward, October 1 (gross)	\$ 4,267,014.44	\$ 2,098,267.69
Obligations incurred	12,888,146.24	4,347,042.00
Outlays (gross) (-)	(3,652,126.56)	(2,063,774.76)
Recoveries of prior year unpaid obligations (-)	(234,882.82)	(114,520.49)
Unpaid obligations, end of year	13,268,151.30	4,267,014.44
Obligated balance, start of year (net)	4,267,014.44	2,098,267.69
Obligated balance, end of year (net)	<u>\$ 13,268,151.30</u>	<u>\$ 4,267,014.44</u>
 <b>BUDGET AUTHORITY AND OUTLAYS, NET</b>		
Budget authority, gross (discretionary and mandatory)	\$ 7,500,000.00	\$ 5,000,000.00
Budget authority, net (discretionary and mandatory)	7,500,000.00	5,000,000.00
Outlays, gross (discretionary and mandatory)	3,652,126.56	2,063,774.76
Outlays, net (discretionary and mandatory)	3,652,126.56	2,063,774.76
Agency outlays, net (discretionary and mandatory)	<u>\$ 3,652,126.56</u>	<u>\$ 2,063,774.76</u>

e accompanying notes are an integral part of these statements.

# NORTHERN BORDER REGIONAL COMMISSION

## GENERAL FUND

### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

The Northern Border Regional Commission (NBRC) was created by the Congress in Fiscal Year 2010 1) to alleviate economic distress, and 2) to save and create job opportunities throughout a thirty-six county region in Maine, New Hampshire, New York, and Vermont. The Commission has responsibility for fourteen counties in New York; six counties in Vermont; four counties in New Hampshire, and twelve counties in Maine. The NBRC is governed by a Board consisting of the Federal Co-Chair and the Governors of the four states.

#### **Basis of Presentation**

These financial statements have been prepared from the accounting records of the NBRC in accordance with Generally Accepted Accounting Principles (GAAP), and the form and content for entity financial statements specified by the office of Management and Budget (OMB) in OMB Circular A-136. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants.

OMB Circular A-136 requires agencies to prepare financial statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, 2016, amounts of future economic benefits owned or managed by NBRC (assets), amounts owed by NBRC (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within NBRC and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

#### **Basis of Accounting**

Transactions are recorded on the accrual accounting basis in accordance with OMB Circular A-136. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements,

### **Basis of Accounting (continued)**

and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

### **Revenues and Other Financing Sources**

NBRC is an appropriated no year fund. All budgetary resources result from appropriations.

### **NOTE 2 – FUND BALANCE WITH TREASURY**

All of NBRC's fund balance with treasury is coming from appropriations during the period. No trust or other fund type is used to fund NBRC's activities. NBRC operates as a no-year fund, where fund balance of previous year is carried forward to the next year.

A. Fund Balance with Treasury	<u>2016</u>	<u>2015</u>
General Fund	\$13,577,376.44	\$9,729,503.00
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	282,667.32	5,347,968.07
b) Unavailable	26,557.82	114,520.49
2) Obligated Balance not yet Disbursed	13,268,151.30	4,267,014.44
Total	<u>\$13,577,376.44</u>	<u>\$9,729,503.00</u>

### **NOTE 3 – OTHER ASSETS WITH THE PUBLIC**

NBRC have obligations that involve the advancement of funds for services to be provided in the future with public entities.

	<u>2016</u>	<u>2015</u>
Assets With The Public - Other Assets	\$100,864.00	\$100,864.00
Total Assets With The Public - Other	<u>\$100,864.00</u>	<u>\$100,864.00</u>

### **NOTE 4 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

Liabilities of the NBRC are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2016, the NBRC showed liabilities covered by budgetary resources of \$263,483.78.

**NOTE 4 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES  
(CONTINUED)**

As of September 30, 2015, the NBRC showed liabilities covered by budgetary resources of \$10,905.61 and liabilities not covered by budgetary resources of \$5,524.47.

As of September 30, 2016, liabilities covered by budgetary resources are composed of Employer Contributions and Payroll Taxes payable of \$3,506.04 and Accrued Funded Payroll and Leave of \$11,073.60, and Accounts Payable of \$248,904.14. As of September 30, 2015, liabilities covered by budgetary resources are composed of Employer Contributions and Payroll Taxes payable of \$2,480.65 and Accrued Funded Payroll and Leave of \$8,424.96.

	<u>2016</u>	<u>2015</u>
With the Public		
Other (Unfunded leave liability)	\$0.00	\$5,524.47
Total liabilities not covered by budgetary resources	0.00	5,524.47
Total liabilities covered by budgetary resources	263,483.78	10,905.61
Total Liabilities	<u>\$263,483.78</u>	<u>\$16,430.08</u>

**NOTE 5 – OTHER LIABILITIES**

As of September 30, 2016, other liabilities with the public consist of Accrued Funded Payroll and Leave of \$11,073.60, and employer contributions and payroll taxes payable – TSP of \$507.61. Other intragovernmental liabilities consist of employer contributions and payroll taxes payable of \$2,998.43. As of September 30, 2015, other liabilities with the public consist of Accrued Funded Payroll and Leave of \$8,424.96, Unfunded Leave of \$5,524.47, and employer contributions and payroll taxes payable – TSP of \$395.17. Other intragovernmental liabilities consist of employer contributions and payroll taxes payable of \$2,085.48.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2016	Other Liabilities	\$0.00	\$11,581.21	\$11,581.21
2015	Other Liabilities	\$5,524.47	\$8,820.13	\$14,344.60
	<u>Intragovernmental</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2016	Other Liabilities	\$0.00	\$2,998.43	\$2,998.43
2015	Other Liabilities	\$0.00	\$2,085.48	\$2,085.48

**NOTE 6 – INTRAGOVERNMENTAL COSTS AND EXCHANGE REVENUE**

Intragovernmental costs are those of good/services purchased from a federal entity.

	<u>Total 2016</u>	<u>Total 2015</u>
Program A		
Intragovernmental costs	\$205,424.23	\$117,051.81
Public costs	<u>3,706,476.53</u>	<u>1,918,848.14</u>
Total Program A costs	<u>3,911,900.76</u>	<u>2,035,899.95</u>
Total Program A Net Costs	<u>\$3,911,900.76</u>	<u>\$2,035,899.95</u>

**NOTE 7 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED:  
DIRECT VS. REIMBURSABLE OBLIGATIONS**

NBRC is subject to apportionment, but it does not have reimbursable authority. Obligations are separated as Category A for administrative expenses and Category B for grant awards.

	<u>2016</u>	<u>2015</u>
Direct		
Category A	\$546,965.24	\$378,251.00
Category B	<u>12,341,181.00</u>	<u>3,968,791.00</u>
Total	<u>\$12,888,146.24</u>	<u>\$4,347,042.00</u>

**NOTE 8 – UNDELIVERED ORDERS AT THE END OF THE PERIOD**

The amount of NBRC’s budgetary resources obligated for undelivered orders was \$13,105,531.52 and \$4,356,972.83 as of September 30, 2016 and 2015, respectively.

**NOTE 9 – EXPLANATION OF THE RELATIONSHIP BETWEEN LIABILITIES NOT COVERED BY BUDGETARY RESOURCES ON THE BALANCE SHEET AND THE CHANGE IN COMPONENTS REQUIRING OR GENERATING RESOURCES IN FUTURE PERIODS**

The Change in Components Requiring or Generating Resources in Future Periods equals the difference between the opening and ending balances of Liabilities Not Covered by Budgetary Resources (as shown on the Balance Sheet, reference Note 4), shown as follows:

**FY 2016**

	<b>FY 2015</b>	<b>FY 2016</b>	<b>Change</b>
Unfunded Annual Leave	\$5,524.47	\$0.00	(\$5,524.47)

**FY 2015**

	<b>FY 2014</b>	<b>FY 2015</b>	<b>Change</b>
Unfunded Annual Leave	\$6,061.44	\$5,524.47	(\$536.97)

Note accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations, whereas unfunded annual leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

**NOTE 10 – RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET**

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc. made by the NBRC in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the NBRC in its program (proprietary) operations. For example, spending authority from offsetting collections and recoveries are financial resources from the recoveries of prior year obligations (e.g., the completion of a contract where not all the funds were used) and refunds or other collections (i.e., funds used to conduct operations that were previously budgeted). An imputed financing source is recognized for future federal employee benefits costs incurred for the NBRC employees that will be funded by OPM. Changes in budgetary resources obligated for goods, services, and benefits ordered by not yet provided represents the difference between the beginning and ending balances of undelivered orders (i.e., good and services received during the year based on obligations incurred the prior year represent a cost of operations not funded from budgetary resources). Resources that finance the acquisition of assets are budgetary resources used to finance assets and not cost of operations (e.g., increases in accounts receivables or capitalized assets). Financing sources yet to be provided represents financing that will be provided in future periods for future costs that are

recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

A reconciliation between budgetary resources obligated and net cost of operations (i.e., providing an explanation between budgetary and financial (proprietary) accounting) is as follows (note: in prior years this information was presented as a separate financial statement (the Statement of Financing)):

	<b>FY 2016</b>	<b>FY 2015</b>
Budgetary Resources Obligated	\$12,888,146.24	\$4,347,042.00
Spending Authority from Recoveries and Offsetting Collections	(234,882.82)	(114,520.49)
Imputed Financing from Costs Absorbed by Others	12,720.50	11,468.85
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	(8,748,558.69)	(2,207,553.44)
Financing Sources Yet to be Provided	(5,524.47)	(536.97)
Net Cost of Operations	\$3,911,900.76	\$2,035,899.95



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