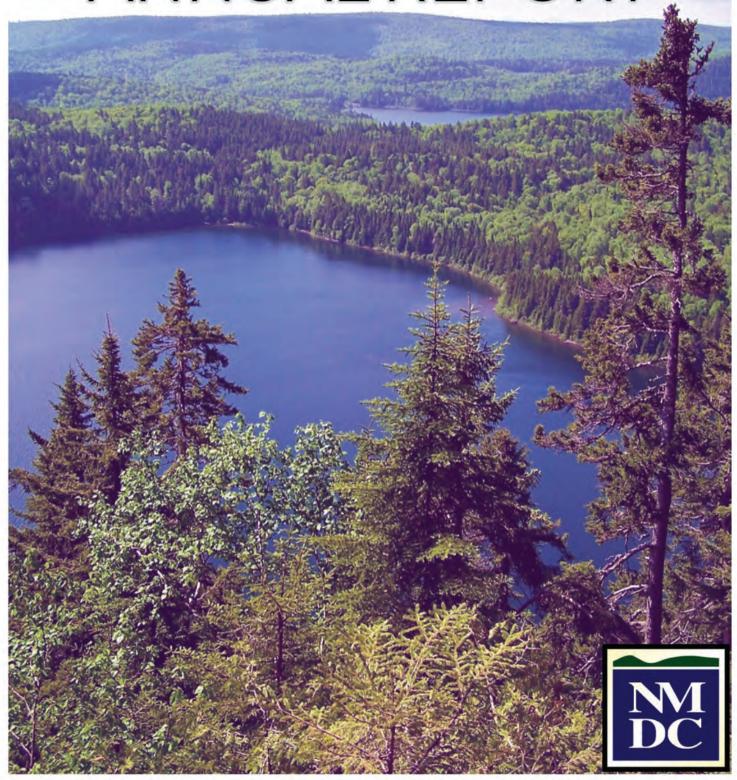
NMDC 2017-18 ANNUAL REPORT



Letter from the Executive Director

It is my pleasure to present this annual report to the Executive Board of Directors and Member Representatives. The annual report shows a sample of the numerous activities and services provided to our communities and businesses in Aroostook and Washington counties.

During the past fiscal year, NMDC has worked to market our region to potential tourists, provided loans to new and existing businesses, provided environmental assessments of possible brownfield sites, and worked to better train small growers with their business acumen. Staff also helped new entrepreneurs create jobs and existing businesses find contracts through the federal and state governments.

NMDC also embarked on an ambitious strategic planning effort to better position the organization into the future. In early 2017, the NMDC Executive and Board leadership recognized that the organization needed to assess its performance and recalibrate its strategic priorities and direction. The result is the NMDC Next Generation Strategic Plan 2018-2022, an organizational strategy developed with broad public, private, and non-profit sector input, staff and board perspectives, as well as critical analysis and application of proven rural community economic development principles. The prevalent desire is for NMDC to generate "greater impact" in the communities and economy it serves through the deployment of its resources.

Another major accomplishment in the past year was NMDC being awarded Community Development Financial Institution (CDFI) designation by the U.S. Department of Treasury. CDFI Certification is the gateway to the CDFI community, a network of mission-driven institutions that serve and empower economically distressed communities. This translates into real change for the communities and people who need it most. Look for more on what a CDFI at NMDC can do for economic development in the region in the next few months.

Information on all these efforts can be found within these pages. Further information is always available by contacting the dedicated staff at NMDC. We continually look to develop new programs to meet your future needs. This is only possible because of your involvement with, and support for, NMDC's programs and services. From all of us at NMDC, thank you.

Robert P. Clark NMDC Executive Director

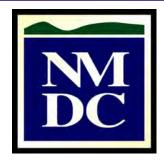


Pobert P. Crark

Northern Maine Development Commission

The Northern Maine Development Commission (NMDC) is a membership organization comprised of participating communities and counties in the Aroostook-Washington Economic Development District.

NMDC provides federal and state services at the regional and local levels. NMDC also provides management and support for Aroostook County Tourism (ACT), Aroostook Municipal Association (AMA), and Aroostook Partnership (AP).



Designations

NMDC maintains these designations to ensure the northern Maine region is eligible to participate in the many federal and state programs designed to benefit the region's businesses and communities.

Rural Empowerment Zone and USDA Great Region (US Department of Agriculture)



Small Business Development Center and Northern Border Regional Commission Designated Local Development District



Economic Development District (US Department of Commerce Economic Development Administration)



Community Development Financial Institution



Maine Dept. of Ag, Conservation and Foresty and Regional Planning Commission (State of Maine)



Procurement Technical Assistance Center

(Department of Defense, Eastern Maine Development Corporation) **US Census Data Center Affiliate** (US Census Bureau)





Intermediary Lender







(Rural Development and US Small Business Administration)







Aroostook Partnership

- Executes Mobilize Northern Maine initiative focusing on the business growth potential for Renewable Energy, Forestry/Manufacturing and Diversified Agriculture.
- Lead the "Education to Industry" Initiative to expand student job awareness, job shadow and internship opportunities and promote programs such as Junior Achievement.
- Once again purchased Virtual Job Shadow for every high school in Aroostook County to make students more aware of career opportunities.
- Nearly 100 Aroostook County and statewide businesses represented.
- Leads the Northern Forest Products Industry Cluster to expand the potential for "value-added" processing in Aroostook.
- Sponsored the Aroostook Entrepreneur of the Year competition. The winner in 2018 was Michelle Hanson of Frederick's Southside restaurant and Mascoto's.

Client Profile: Red Devil Roast Coffee

FORT KENT — It would be safe to say many financial deals are discussed over a cup of joe, but a recent loan at Northern Maine Development Commission (NMDC) was about coffee.

Alan Susee, a businessman from Fort Kent, for years had a passion about good coffee. He decided to take that passion and create a business, Red Devil Roast Coffee Company, but needed a little seed money to get the operation to scale.

"We enjoy helping out entrepreneurs achieve their business goals," said loan officer Dave Spooner. "Alan's business plan was sound and the coffee is really good."

Susee has purchased state of the art roasting equipment, which is situated in a spare room in his home. Thousands of test roasts and quality checks behind him, his product is now available locally and on the internet.

"We pride ourselves on providing the best freshly roasted coffee, said Susee. "We work with our suppliers to source the freshest, highest quality beans."

Susee's decades long love affair with coffee began with his time in the military.

"My passion for coffee began as a young man traveling around the globe as a Petty Officer in the US Navy," he added. "I experienced many different coffees in Tunisia, Italy,

Business Finance Division

NMDC closed 23 loans in fiscal 17-18. All in the service industry sector. From those loans, 44.5 jobs were retained and 3 created.

Historically, the Business Finance Division has loans totaling more than \$266-million, resulting in more than 15,000 jobs retained or created.

Greece, England, Israel, Egypt, Singapore and beyond. Since then I have greatly missed those unique and robust flavors. Fast forward to today, living in an isolated rural community on the Canadian border limits one's exposure to select coffees. I realized this had to change and the only way to do that was to bring the world's best coffees to northern Maine."

Susee said the new venture is starting to take off, some restaurants in the area are serving his coffee and his client base is growing.

He said a number of different roasts are available, like Perkatory Roast, Demonic Dark and even Little

Devils single serve pods. Custom labeling is also available for people and businesses to personalize their java experience.

Reviews on the company's Facebook page range from simply amazing to can't say enough to yummy and delicious.



Accolades Susee is happy to accept. His goal now is to build the brand and spread the word about his locally roasted coffee.

"As a small batch coffee company, the source of our beans is essential to our mission of excellence" Susee said. "Only the best beans are allowed in our facility. Our dedication to quality roasted coffee drives everything we do. Every roast is different, every coffee is unique. Teasing the subtlest flavors of origin out

\$929,500

Loans Closed

\$927,610

Leveraged

of select coffees during the roast process is the most rewarding achievement a roaster can obtain. Here at Red Devil Roast that is all that matters."

Spooner added, "We encourage any

entrepreneur to speak to us at NMDC, and even if you don't get your loan through us we have business counseling available through NMDC's Small Business Development Center and other programs to help people make their business a success.

To learn more about Red Devil Roast Coffee Company, visit reddevilroast.com.

For more information on lending programs and small business assistance at NMDC, contact Spooner at dspooner@nmdc.org or by phone at 493-5766.

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NMDC's Small Business Development Center



Joshua (Josh) Nadeau, (second from right) Center Director of the Maine Small Business Development Center at Northern Maine Development Commission, received the U.S. Small Business Administration's 2018 Small Business Development Center Excellence and Innovation Center of the Year Award for Maine. In the photo, from Left to Right is Wendell Davis, SBA Regional Administrator for New England; David Spooner of Northern Maine Development Commission (who nominated Mr. Nadeau for this award); Josh Nadeau, SBDC Center Director at NMDC, and Amy Bassett, SBA District Director for Maine.

Small Business Development Center Total Clients 134

In fiscal 2017-18, Josh Nadeau worked with a variety of entrepreneurs, from those who use horses to help the mentally and physically handicapped, to creative carpenters, and folks with innovative spins on current business offerings. For assistance, contact him at 493-5765, or by email at jnadeau@nmdc.org

Advising Hours 920 **Long Term Clients 68** Capital Formation \$4,020,850 **Business Starts 27** Jobs Created/Retained 129



BikeMaine Director MaryBeth Luce addresses the crowd at the NMDC Annual meeting held in June.

Why be a NMDC member? A sample return on investment from Presque Isle



Presque Isle Return on Investment

Dues: \$17,808 no increase in the past 14 years Direct Services to PI \$45,367 Value of Regional Projects to PI \$97,957



Presque Isle Return on Investment

Commercial Loans

- · Total loans in Presque Isle million
- Additional funds leveraged
- Total capital: \$37.8
- · Jobs Created 1.631
- Jobs Retained 1,416
 Total Jobs > 3,000
- NMDC Loans made in the past two years \$ 895,000
- Additional funds leveraged
 Total Capital Total Capital \$2.2 million
- · Jobs Created 80
- Jobs Retained
 Total Jobs

What doesn't show up in an ROI

Code enforcement officer testing is offered at NMDC. One municipality saved more than \$1,100 by NMDC offering the exams.

Planning and Economic Development Division

Maine Department of Transportation

- Regional transportation plan development coordination.
- Comprehensive plan and transportation plan assistance.
- Develop bike and pedestrian plans for communities.

Maine Department of Transportation Projects

• Review of high crash locations of concern to municipalities where more than expected accidents are occurring.



- Review of mid-block crosswalks for Americans with Disabilities compliance.
- Comprehensive Plan assistance for municipalities including but not limited to, New Sweden, Patten, and Medway.
- Byway promotion and coordination.

Farm Service Agency Grower/Producer Outreach

• Conducted 5 business acumen workshops to producers in Aroostook County, highlighting FSA programs and lending.

EPA Brownfield Community-Wide Assessment Grant

- Conducted Brownfield work at eight locations, including Houlton, Mars Hill, Van Buren, Frenchville, Portage Lake, Washburn and two in Ashland.
- Total cost of Brownfield projects \$96,426.

Community Development Block Grant (CDBG) Technical Assistance

• In 2017-2018, **27 communities** were assisted with various CDBG programs and six CDBG applications were developed.

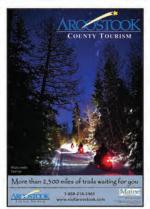
Maine Tourism Marketing Partnership Program

- Design and develop new Aroostook County Regional Guides.
- With financial assistance from Aroostook Partnership, developed new regional destination map.

- Continue expanding social media marketing campaign for Aroostook County Tourism with enhanced website and "Stories from the County" blog site.
- Staffing of central toll-free tourism fulfillment telephone line and handle tourism information requests. Phone and electronic requests average roughly 1,000 a month.

EDA Planning Grant

- Updates to the Comprehensive Economic Development Strategy (CEDS).
- Developed a \$1,500,000 EDA application for potential Houlton manufacturing facility.



Procurement Technical Assistance Center (PTAC)

Maine PTAC is part of a nationwide network of Procurement Technical Assistance Centers, or PTACs. We work with Maine-based companies that are interested in selling their products and/or services to local, state or federal government agencies, either as prime contractors or subcontractors. Selling to the government may

seem intimidating. NMDC's Procurement Counselor can guide them through the government purchasing process and assist them in becoming a qualified government contractor, where millions of dollars are spent each year in Aroostook and



Washington Counties. We provide one-on-one counseling, training workshops, and networking opportunities, all designed to help prepare businesses to successfully compete for government market opportunities.

PTAC can assist businesses with registrations, market research into goods purchased and competition for those goods, understanding the solicitation and bidding processes and contract requirements.

Client Activity:

NMDC has 137 active clients in Aroostook County. We also service an additional 12 clients in the greater Millinocket area.

Conducted/participated in **15** workshops in Aroostook County and Millinocket area.

Recorded \$17,071,623 in contract awards for Aroostook County and Millinocket area small businesses, both primary and subcontracting awards.

Community Development Financial Institution

Northern Maine Development Commission (NMDC) now has a new tool to help foster economic development

and opportunity in northern and eastern Maine.

The Commission received notification this past spring that NMDC has been designated as a certified Community Development Financial Institution (CDFI) by the US Department of Treasury. This certification will allow NMDC to expand lending services in Aroostook, Washington, Penobscot and Piscataquis counites.

The CDFI Fund was established in 1994 to promote economic revitalization and community development in low-income communities that may be underserved by traditional financial institutions. By certifying qualified

institutions, CDFI brings together diverse private and public-sector investors to create economic opportunity. CDFIs now form a robust sector within the larger financial services industry; NMDC joins approximately 1,000 CDFIs operating nationwide.

"The CDFI program creates opportunities by providing

access to affordable financial products and services for small businesses and provides access to new funding

sources such as the US
Treasury and many
foundations that require
CDFI certification prior
to investing in the CDFI,"
said NMDC Executive
Director Robert Clark.

CDFI certification will give NMDC access to other critical financial services available to disadvantaged businesses and low-income communities – supporting projects that will help our region grow.

Clark said certification is the first step.

"The next steps will be

to prepare CDFI and foundation funding applications to build NMDC's capital base for further investments in small businesses in Aroostook, Washington, Penobscot and Piscataquis counties and to help grow the economy, create new jobs and sustain our business services," he explained.



Strategic Plan

Of note in 2017-18, Northern Maine Development Commission underwent an exensive strategic planning effort to better prepare the organization for the future.

In early 2017, the NMDC Executive and Board leadership recognized that the organization needed to assess its performance and recalibrate its strategic priorities and direction. The result is the NMDC Next Generation Strategic Plan 2018-2022, an organizational strategy developed with broad public, private, and non-profit sector input, staff and board perspectives, as well as critical analysis and application of proven rural community economic development principles.

"The research findings revealed that five target impact areas that must be influenced to address the forces and alter

the adverse trends," said Haguewood during his briefing to the Board. "Fundamentally, the retention and attraction of people is the core factor for the future viability of communities and the economy of Aroostook and Washington counties."

The strategic elements and focus areas are:

- Community Addresses community services, quality of place, arts and culture and destination development.
- Finance Access to capital, mission driven lending, technical support and entrepreneurship.
- Partnerships Alliances with customers, organizations, agencies and communities.
- Communications—Audience appropriate messaging and collaboration.
- Organization Programming, operation and structure and professional development.

The Strategic Roadmap is a five-year guide for NMDC to set priorities, formulate yearly work plans, and evaluate performance over the plan's term.

NMDC Value Statement

We are dedicated to serving our customers and communities of Aroostook and Washington counties to the highest standards of integrity and professionalism. In all of our work, we strive for productive relationships, innovation,

we strive for productive relationships, innovation, and responsiveness. We value each other in our organization and arecommitted to its sustainability and the efficient use of resources.

Committee Listing as of Sept. 13, 2018

NMDC Executive Board

Officers:

Dave Cyr - Chair - Mars Hill Gary Picard – Vice-Chair – Madawaska Nancy Troeger-Treasurer - Van Buren David Dionne - Secretary - Mapleton



Members:

Mitch Butler - Fort Fairfield Cyr Martin - Ashland Melissa Devoe - Limestone Martin Dionne - UT Paul Dudley - Easton Beverly Fournier - Winterville Denis Gagne - Bridgewater Diane Hines - Reed Plantation Royden Hunt - Island Falls Max Lynds - Littleton Dennis Marker - Caribou Rosa McNally - Houlton

Aubrey Michaud - St. Agatha Ryan E. Pelletier - Frenchville Steve Pelletier - St. John Plantation Tom Pelletier - Fort Kent Martin Puckett - Presque Isle Clarissa Sabattis - Band of Maliseets Wendell Spooner - New Sweden Patricia Sutherland - Chapman Donna Turner - Washburn Michael Tweedie - Blaine Lana Voisine - Wallagrass Terry Wade - Monticello

Aroostook County Representative Norm Fournier

Loan Review Committee - NMDC

Max Lynds - Chair

Scott Allen Paul Bouchard Keith Brown David Cyr Martin Dionne Norm Fournier Melissa Devoe Denis Gagne Beth Henderson **Ghent Holdsworth** Jon McLaughlin Rav Mersereau Susan Paradis Steve Pelletier Gary Pickard Martin Puckett Brian Stoliker Jim Tweedie Nancy Troeger

Human Resource Committee - NMDC

Melissa Devoe Norm Fournier Diane Hines Max Lynds

Clarissa Sabattis Patricia Sutherland

Finance/Audit Committee - NMDC

Nancy Troeger, Chair Dave Dionne **Paul Dudley** Norm Fournier Max Lynds **Aubrey Michaud** Steve Pelletier Gary Picard Patricia Sutherland

Aroostook Partnership

Officers:

Jason House- Chair Matt McHatten - Vice-Chair Robert Clark - Vice-Chair (Public) Ray Rice - UMPI Jennifer Buckingham - Treasurer Jennifer Flynn - Husson Gina LeBlanc-Eggert - Secretary University

Ex-Officio Members:

Timothy Crowley- NMCC John Short - UMFK

Other Board Members:

Matt Bouchard Jacob Buck Ryan Bushey Dave Desjardins Cal Deschene Cheri Doak Tim Doak Kris Doody Carl Flora

Greg LaFrancois Jon McLaughlin Jason Parent Jon Prescott Joy Barresi Saucier Mark Wilcox Carter Vaillancourt

Major Investors:

Acadia Federal Credit Union Cary Medical Center County Federal Credit Union Daigle Oil Company Dead River Company **EDP Renewables** Emera Maine F.A. Peabody Company Griffeth Ford K-Pel Industrial Services Katahdin Trust Company KeyBank Machias Savings Bank MMG Insurance Northern Lights A.R. Gould Hospital (TAMC) Northern Maine Community College Northern Maine Development Commission Pattern Energy S.W. Collins TD Bank Twin Rivers Paper Company United Insurance Group (UIG) University of Maine at Presque Isle WAGM York's of Houlton



Strategic Planning - NMDC

Martin Dionne Paul Dudley Norm Fournier Cyr Martin Clarissa Sabattis Patricia Sutherland Nancy Troeger Michael Tweedie Lana Voisine

Committee Listing As of Sept. 13, 2018

Aroostook County Tourism



Patricia Sutherland - Chair Alain Ouellette - Director Jen Brophy Leigh Cummings Steve Dobson Sammi LaBelle Gary Marquis JJ Roy Dona Saucier Mark Shea Kimberly Smith Scott Thompson Jane Torres



Business Counselor Ken LeTourneau works with a new 3D printer at NMDC.

Rural Transportation Planning Organization

Ken Arndt Larry Duchette
Paul Bernier Tammy Gagnon
Keith Brown Martin Puckett
Brent Bubar Peter Forbes
Dave Cyr Scott Wardwell

Northern Maine Solid Waste Management Committee

Mark Draper - Chair-Tri-Community Landfill

Paul Bernier - Aroostook U.T.
Tom Berube
Dana Fowler - City of P.I.
Jason Johnson
Chuck Pelletier - Valley Recycling
Dean Lawrence - Pine Tree Waste
Dixie Shaw - Catholic Charities
Dave Shroat - AVSWDD
Rick Sirois

Town of Caswell Town of Danforth Town of Littleton Town of Monticello Town of Portage Town of Sherman

Joey Dumond - Town of Van Buren

Brownfields Committee

Carol Bell Fred Corey Dave Cyr George Howe Tony Levesque Dennis Marker Cyr Martin Ryan E. Pelletier Steve Pelletier Craig Staples

NMDC Boardroom a Hi-Tech Resource for the Region

The boardroom at Northern Maine Development Commission's office in Caribou is unique. Featuring a long oblong table that bends inward toward the middle, a smartboard on the south wall, videoconferencing equipment and seating for about 30 make the space perfect for an Executive Board meeting, but its functionality goes way beyond just NMDC purposes.

The Maine Association of Assessing Officers utilizes this Boardroom and "Smart Board System" for on-site and distance learning opportunities.

"NMDC Staff has been extremely accommodating and always made us feel welcome," said Lewis Cousins, Assessor for Presque Isle. "This room, being centrally located and sized perfectly for our assessing group, lends itself perfectly to ensure a successful event. We always receive great feedback from our members regarding the facilities."

"We have also conducted numerous Maine Municipal Association training sessions for county municipalities saving them financial and time resources by not having to travel to Augusta," said Bob Clark, NMDC Executive Director.

The boardroom also serves as a meeting place for Aroostook Partnership, Aroostook County Tourism, the NMDC Loan Review Committee and many more groups and organizations.



"NMDC is happy to allow municipalities and organizations to use the space," added Clark. "The space is open and ready for a multitude of uses."

Recent upgrades in the boardroom include a new bank of monitors, which can be elevated, to give meeting participants an up-close look at materials, such as intricate spreadsheets, detailed PowerPoint presentations and videos.

If you are interested in reserving the NMDC boardroom for a meeting or training, contact Office Manager Judy Dinsmore at 493-5752 or by email at jdinsmore@nmdc.org.

Northern Maine Development Commission

Statement of financial position for fiscal year ending June 30, 2018

Statement of financial position for fiscal year ending		
ASSETS		
CURRENT ASSETS		
Cash	\$2,152,911	
Accounts Receivable	\$59,042	
Grants & Contracts Receivable	\$255,238	
Current Portion of Notes Receivable	\$2,411,004	
Prepaid Expenses	\$18,159	
Deferred Cost Pool	\$472,165	
Deferred Fringe Cost	\$49,689	
Interest Receivable	\$53,848	
Total Current Assets	\$5,472,056	
NOTES RECEIVABLE, net of current portion	\$6,321,354	
FIXED ASSETS		
Land & Building	\$621,476	
Furniture & Fixtures	\$514,060	
Building Improvements	\$1,107,052	
Total Fixed Assets	\$2,242,588	
Less accumulated depreciation	-\$1,656,773	
Net Fixed Assets	\$85,815	
TOTAL ASSETS	\$12,379,225	

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LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$245,041
Accrued Expenses	\$84,629
Deferred Revenues	\$81,343
Line of Credit	\$36,000
Current Portion of Long-term Debt	\$563,703
Total Current Liabilities	\$1,010,716
Long-Term Liabilities	\$5,692,430
TOTAL LIABILITIES	\$6,703,146
NET ASSETS	
Unrestricted	\$(384,537)
Temporarily Restricted	\$6,060,615
Total Net Assets	\$5,676,079
TOTAL LIABILITIES & NET ASSETS	\$12,379,225

Northern Maine Development Commission

Statement of activities for fiscal year ending June 30, 2018

	Total	
REVENUES, GAINS AND OTHER SUPPORT		
Federal & State Grants	\$1,066,379	
Foundation/Donation Income	\$8,128	
Municipal Dues	\$136,000	
County Dues	\$24,695	
Contracted Income	\$71,455	
Loan Adminstration Funds	\$439,165	
Balance of Loan Fund Interest	\$443,893	
Financial Services	\$42,944	
Other Income	\$224,969	
Interest Savings	\$41,000	
Pass Thru Funds	\$160,354	
NMDC Cash Contributions	\$171,630	
In-Kind Contributions	\$83,495	
TOTAL REVENUES, GAINS AND OTHER SUPPORT	\$2,755,663	
EXPENSES AND LOSSES		
Community Fund	\$787,062	
Revolving Loan Funds	\$1,455,731	
Other Grants	\$872,091	
TOTAL EXPENSES AND LOSSES	\$3,114,884	
INCREASE (DECREASE IN NET ASSETS)	\$(359,221)	
NET ASSETS - JULY 1, 2017	\$6,035,300	
NET ASSETS - JUNE 30, 2018	\$5,676,079	

NMDC Staff

Administration



Robert Clark Executive Director



Mary Dahlgren Finance Director



Judy Dinsmore Office Manager



Matt Tompkins Accountant

Planning and Economic Development Division



Alain Ouellette Planning & Development Division Director



Jay Kamm Senior Planner



Joella Theriault Community Development Specialist



Dana Delano PTAC Counselor



Jon Gulliver Director of Investor & Community Relations

Business Finance Division



Julie Corey Loan Officer / Closing Agent



David Spooner Loan Officer / Business Development Dir.



Josh Nadeau SBDC Counselor



Ken LeTourneau Business Counselor

Contact us: NMDC 11 West Presque Isle Road PO Box 779 Caribou, ME 04736 Phone: 207-498-8736

Fax: 866-493-1388

On the web:

www.nmdc.org

Federal, State and Foundation Partners





























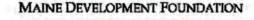








Leading the Way to a Brighter Future













Local and Regional Partners































Northern Maine Development Commission

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