



Northern Community Investment Corporation



Northern Community Investment Corporation

Building Successful Connections

2013 ANNUAL REPORT

NCIC has a diverse group of partners dedicated to creating and sustaining jobs throughout Carroll, Coös, and Grafton Counties of New Hampshire and Caledonia, Essex, and Orleans Counties of Vermont.

We thank you all.

ST JOHNSBURY OFFICE
51 Depot Square, Suite #2
St. Johnsbury, VT 05819

Tel: 802.748.5101
Fax: 802.748.1884

LANCASTER OFFICE
1 Middle Street
Lancaster, NH 03584

Tel: 603.788.2700
Fax: 603.788.2702

www.ncic.org

Strengthening businesses, communities, and employment opportunities across Northern New Hampshire and Northeastern Vermont



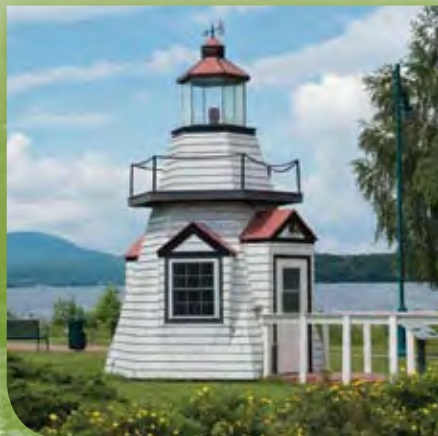
www.ncic.org

Economic Opportunities Arise from Strategic Connections

NCIC's work is most often executed "behind the scenes" as we help build appropriate foundations for employment.

This annual report is organized to highlight the value of connections in the development of business financing and capacity building, agricultural systems, information technology, regional travel and tourism, and business infrastructure expansions.

We look forward to helping you get connected!



Message from the Chairman & President



Jon Freeman
President, NCIC

The team at NCIC finds our work so important and inspiring as we strive to create a positive impact by enhancing the employment opportunities in our corner of the world, Northern New Hampshire and Northeastern Vermont. Quality employment is vital to the economic health of our service region, and over the past year NCIC has been able to provide essential support to businesses and communities. However, we do so with the awareness that much more assistance is needed as both national and local influences have eroded employment opportunities for many.



Nathan Houghton
Chairman, NCIC

We seek to cultivate entrepreneurial activity by providing appropriate financing, coaching in core business practices, and assistance in problem solving and creative thinking. NCIC also participates in many regional and community projects that foster economic growth.

We envision a robust economy for our service region. That is, an economy that produces an abundance of interesting and rewarding employment opportunities that in turn provide a stable financial environment for our families and communities.

We are grateful for our many active partners and clients and would greatly appreciate you joining us as we press on toward implementing NCIC's important mission.



Jon Freeman, President



Nathan Houghton, Chairman

NCIC Programs and Initiatives

- **Business Lending and Coaching**
Our diverse solutions are used to help make good deals happen, build capacity, and expand business acumen.
- **Business Services North**
We are collaborating with service partners to optimize business support services while introducing our newest tool, the *Local Biz Wiz* website.
- **Innovation North**
We participate in "out-of-the-box," creative solutions to strengthen and grow businesses.
- **Northern Tier Farm and Forest Jobs Accelerator**
We are partnering to develop value-added agricultural and wood-based processing, marketing, and distribution programs that will provide economic opportunities to rural communities in our service area.
- **Industrial Business Attraction**
We are reaching out to potential employers who can successfully operate in our region and assisting them in starting, expanding, or relocating their businesses here.



The Ride the Wilds Team (L to R) Rene Boutin, Charlie Kurtz, Craig Washburn, Pam Sullivan, Wayne Frizzell, Leroy (the dog), Harry Brown, Jenn Landry, Henry Sanschagrin



(L) Northern Star Captain and Owner, Chris Johansen, with Mike Welch, NCIC Senior Project Manager

Building Successful Connections

People. Places. Passion.

Connecting ATV Trails to Boost Tourism

New Hampshire's Coös County now offers a new and different travel experience, called *Ride the Wilds*, a 1,000-mile-long interconnected ATV trail system that enables ATV riders to experience the region's unspoiled, natural beauty. The trail system, which officially opened in June 2013, is nestled between the Androscoggin and Connecticut rivers and connects to the North Country's "ATV-friendly towns" of Berlin, Colebrook, Columbia, Errol, Gorham, Groveton, Lancaster, Pittsburg, Stewartstown, and Stratford, where riders can dine, shop, and enjoy the local attractions. It is expected that this new recreational attraction will bring more tourists and economic opportunities to this region.

NCIC's New Hampshire Grand initiative is supporting this new attraction. NH Grand facilitated a strategic

messaging session with the North Country OHRV (Off-Highway Recreational Vehicle) Coalition, the not-for-profit organization leading this economic initiative, to develop the *Ride the Wilds* identity and logo that are now being used to promote the new ATV trail system. In addition to the Coalition (which is made up of 15 OHRV clubs), many organizations and people from Coös County, including two Chambers of Commerce, local community business leaders, Boards of Selectmen, the Coös County Commissioners, and the County Legislative Delegation, worked together to make this happen. Two state agencies, the Bureau of Trails (under the Department of Resources and Economic Development) and the Department of Fish and Game, partnered with the Coalition in the development and implementation of the *Ride the Wilds*.

"Ride the Wilds is more than a trail system; it is an economic engine which will drive business to local shops, restaurants, and properties throughout Coös County."

Harry Brown, North Country OHRV Coalition

Connecting a Newport Business to a Larger Market

Tourism is a key economic driver for picturesque Newport, VT located on Lake Memphremagog, a 30-mile-long lake that extends into Canada. A steamer cruise ship, called the *Northern Star*, is making a big splash in the area, bringing visitors to the city. Captain and Owner, Chris Johansen, moved the ship from Lake Champlain to Lake Memphremagog to start a new cruise business. He offers scenic 1.5-hour cruises of the lake in both US and Canadian waters.

Northern Star's current customers are day trippers. To help expand his business, Johansen connected with NCIC for a USDA-RD Rural Business Enterprise Grant to develop a website. "When I first started in this

business, there was no such thing as a website. Today, you can't be in business without one – it is a necessity," says Johansen. "This website is incredibly important to our business as a piece of our overall marketing strategy. We also used part of the grant for Search Engine Optimization (SEO). Since we launched in January, we are at the top of Google searches ... we're playing with the big boys now!"

Currently, *Northern Star* is the only international lake cruise ship in New England, so Johansen's goal is to connect to the Canadian market with longer 3-hour cruises in the Canadian end of Lake Memphremagog – and his website will help him attract passengers.

"We've received countless calls and feedback from our website. We wouldn't be at the level we are at right now if we didn't have financial support from NCIC. The website is truly our connection to the world!"

Captain Chris Johansen, Owner of the Northern Star



(L to R) Mike Clafin, AHEAD, Inc., Executive Director; Jon Freeman, NCIC President; and Kevin Low, SNS President



(L to R) Julie Moran, CEO and President of the North Country Farmers Co-op; Katelyn Robinson, Project Manager of NCIC; and Elaine Haynes, owner, Haynes Homestead

Building Successful Connections

People. Places. Passion.

Connecting Local Businesses with State-Of-The-Art Information Technology Support

With the financial and technical assistance from NCIC, Secured Network Services, Inc. (SNS) converted a vacant building in the industrial park in Littleton, NH into a state-of-the-art data center in the Spring of 2012. SNS brought new high tech employment opportunities to the area and is now providing information technology (IT) support to area residents and businesses. SNS helps make businesses safe, fast, and connected through its technology and consulting services (including help desk, server and network management, support, technology planning, 24/7 monitoring, disaster recovery, data center, and security services). NCIC partnered with the Littleton Industrial Development Corporation (LIDC), the New Hampshire Department of Resources and Economic

Development (DRED), and the Town of Littleton to help SNS, headquartered in Massachusetts, establish its second office and data center in New Hampshire.

This is an example of NCIC's Innovation North approach, which provides tailored lending solutions that are based on the company's capabilities, opportunities, schedule, and needs. NCIC continues to assist SNS in expanding its business throughout New England. SNS is providing critical IT services that many companies in this region require. Since opening the facility, SNS has seen a substantial growth in business, and now serves as the in-house IT department for organizations such as NCIC and AHEAD Inc. (Littleton).

"NCIC, LIDC, DRED and the Town of Littleton got to know and understand us, connected us to the right people, and made things happen. It is clear that these organizations truly support growing businesses, especially hi-tech businesses, in this area."

Kevin Low, SNS President

Connecting Local Farms to More Markets

The Northern Tier Farm and Forest Jobs Accelerator Program, a joint effort by NCIC, the Northern Forest Center, White Mountains Community College, Sustainable Forest Futures, and the Vermont Sustainable Jobs Fund, is helping to connect our region's agricultural and wood products to urban markets. One aspect of this program is developing a plan for a regional processing facility based on the availability and marketability of food products and the distribution and warehousing of these products. The model for the distribution network is the North Country Farmers Co-op, which is comprised of 20 farms, 2 bakers, and a maple sugar producer in Northern New Hampshire and Northeastern Vermont.

The Co-op has developed an efficient online ordering system and a delivery system to provide locally grown and made meats, breads, maple syrup, produce, and other items to restaurants, hotels, hospitals, and schools

in the region. "We have determined the economies-of-scale, mileage parameters, and delivery capacity to make this delivery system work," said the Co-op's CEO and President Julie Moran. The Farms and Forest Accelerator Grant will be used to develop a more robust, full-service online ordering system and marketing website. This proven model will be replicated throughout the region through a plan to add more farms and products and reach more customers. In addition, the Co-op received technical assistance from NCIC to cover legal fees and business expenses to help them get incorporated and create their by-laws. "Eventually, we want to see the North Country filled with small, food-related family businesses that are supporting the thriving hospitality industry," said Moran. "Hospitality businesses can then focus on giving tourists and residents fresh, healthy food at reasonable prices."

"With the support of NCIC and the Northern Tier Farm and Forest Jobs Accelerator initiative, we will be able to expand our distribution program in a logical way – we wouldn't be able to do this otherwise."

Julie Moran, CEO and President of the North Country Farmers Co-op



(L to R) **Cathy Conway**, NCIC Vice President of Economic Development; **Brian Bresnahan**, North Country Constituent Services Representative Office of U.S. Congresswoman Anne Kuster N.H. District 2; and **Roy Duddy**, PSNH Community Relations & Economic Development Manager



(L to R) **Dave Keenan**, NCIC Business Resource Manager; **Andrew Pinault**, Caledonia Spirits; **Todd Hardie**, Caledonia Spirits founder; **Tanya Thomas**, Caledonia Spirits; **Ryan Christiansen**, Caledonia Spirits; and **Aminta (Minty) Conant**, NCIC Industrial Consultant

Building Successful Connections

People. Places. Passion.

Connecting A Northern NH Hub with Cell Service

In our interconnected world, reliable cell phone and broadband internet services are essential. Yet some communities in eastern Essex County (VT) and western Coös County (NH) have remained underserved. NCIC and the community leaders are partnering with the Public Service Company of New Hampshire (PSNH) and Northern Pass to bring cellular capacity and service to Groveton (NH) and surrounding communities. A new 195-foot-high cell tower on the top of Morse Mountain in Groveton is being constructed and is scheduled to be operating in the fall of 2013.

Two major roads – US Route 3 and NH Route 110 – go through Groveton, so cell service will not only benefit

residents and businesses, but also those who travel through the area. And, as Groveton seeks to re-develop a former paper mill and other sites, cell service will assist in recruiting companies and skilled workers to the area. A major national cell phone service provider has committed to the tower, and other carriers may be interested due to the broad coverage offered. “This is good for the Groveton area, as it provides a much-needed piece to making economic development happen,” said PSNH’s Roy Duddy. “It will also enhance safety in this area, allowing fire, police, and EMS to better respond to emergencies and other calls for service.”

“Entrepreneurs need cell service and high-speed Internet to compete in today’s economy. This cell tower will strengthen this potential in the Groveton area.”

Cathy Conway, NCIC Vice President of Economic Development

Connecting A Business with Resources to Grow and Expand

Caledonia Spirits Inc. in Hardwick, VT produces hand-crafted spirits including honey-infused vodka and gin. Distribution is currently limited to Vermont, Massachusetts, New Jersey, Delaware, Maryland, Washington, D.C., New Jersey, Metro New York/Long Island, Southern Hudson Valley, and Virginia, in addition to restaurants in Montreal and parts of Japan and Hong Kong. Business is growing quickly and owner Todd Hardie is expanding his operations with financial and technical assistance from NCIC. One of the first tasks was to update the Caledonia Spirits website. NCIC provided a technical assistance grant to hire Northeast Kingdom Information Associates to design and build the site, which was launched in August 2012.

Then NCIC’s Industrial Consultant, Aminta (Minty) Conant, connected with Caledonia Spirits to help optimize business operations and plan for the expansion. “Being profitable is a measure of a successful, growing business. Minty helped us do a break-even analysis of our business, and for the first time I understand our true costs,” said Hardie. Minty guided Caledonia Spirits in developing a model for costing products and inputs, and helped refine the existing cost model. She also coached Hardie in improving operational efficiencies. “Working with Minty has been great. I couldn’t think about going forward if I didn’t have this assistance,” said Hardie.

“I am so grateful to NCIC for assisting us and providing us with much-needed resources. Our mission statement is to add value to the work of the people of Vermont, and that is exactly what NCIC is doing for us.”

Todd Hardie, founder, Caledonia Spirits Inc.

Financial Position

Statement of Financial Position On March 31, 2013

Assets

Cash and Cash Equivalents	\$9,350,088
Receivables and Investments	\$9,788,986
Property and Equipment	\$2,499,472
Other Assets	\$51,586

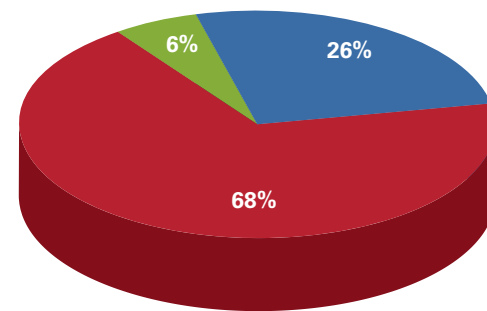
Total Assets **\$21,690,132**

Liabilities and Net Assets

Current Liabilities	\$1,404,653
Long-Term Liabilities	\$8,539,813
Total Liabilities	\$9,944,466

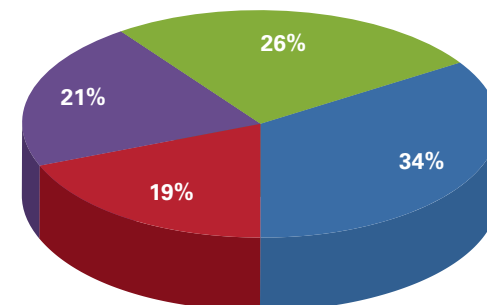
Net Assets \$11,745,666

Total Liabilities and Net Assets **\$21,690,132**



Revenue

- Lending Income
- Project Income-Economic Development
- Other income



Expenses

- Salary & Benefits
- Operating Expenses
- Project Costs-Economic Development
- Non-Cash Expenses

Management has prepared and is responsible for the condensed financial statements and selected financial data presented in this report. Any reader wanting to fully understand the financial condition of NCIC should request a copy of the audited financial statements.



NCIC Staff

(L to R) Katelyn Robinson, Sandy Lowell, Debbie Dudas, Mollie White, Jane Newland, Cathy Conway, Michelle Farmer, David Keenan, Aimee Quimby, Mike Welch, Laurie Johnson, Robin Drinkwater, Jon Freeman
(Not in photo) Barb Candar, Christine Crane

NCIC Board

Nathan Houghton, Chair
Retired
Lyndonville, VT

Andrew Peloquin, Vice Chair
Retired
Littleton, NH

Robert Bishop
Passumpsic Savings Bank
St. Johnsbury, VT

Louise Calderwood
Calderwood Consulting
Craftsbury, VT

Kenneth Cargill
Cooper, Cargill, Chant PA
North Conway, NH

Jack Cummings
St. Johnsbury Academy
St. Johnsbury, VT

Greg Eastman
Hunkins & Eaton Insurance
Littleton, NH

Kenneth Hammer
K.F. Hammer Associates
St. Johnsbury, VT

Dennis Hiller
Hiller Orthodontics
Littleton, NH

Richard Isabelle
Farm Family Insurance
Newport, VT

John McClaughry
Retired
Concord, VT

Gregory Noyes
Retired
Canaan, VT

Sally Pratt
ReMax Northern Edge Realty
Lancaster, NH

John Schiffman, Consultant
Schiffman & Company
Lebanon, NH