

## **MEETING NOTICE**

**Thursday, June 24, 2021  
Dulles State Office Building  
Watertown, New York**

**Zoom Video/Teleconference &  
Conference Room #1 – 11th Floor**

**Board of Directors – 9:30 AM**

**Due to Coronavirus Restrictions,  
Public Access to the Meeting is  
Restricted.**

**The Public May View and Listen to the  
Meeting Live Stream at [www.danc.org](http://www.danc.org).**



## **AGENDA**

### **BOARD OF DIRECTORS MEETING**

**Thursday, June 24, 2021 – 9:30 AM**

**Dulles State Office Building**

**11<sup>th</sup> Floor, Conference Room #1 and Zoom Video/Conference Call**

**Watertown, New York**

1. Call to Order
2. Call the Roll
3. Privilege of the Floor
4. Approve the Minutes of May 25, 2021 Board Meeting
5. Chairman's Report
6. FYE 2021 Investment Report – RBC
7. Independent Audit – Bonadio Group
  - a. Resolution No. 2021-06-86, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2021
  - b. Resolution No. 2021-06-87, Approving the Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year 2021
  - c. Resolution No. 2021-06-88, Approving Annual Bond Sales Report for Fiscal Year Ending March 31, 2021
8. Engineering -
  - a. Technical Services Summary Report
  - b. Resolution No. 2021-06-89, Technical Services Agreement, Village of Lacona, NYS Public Employer Health Emergency Plan
  - c. Resolution No. 2021-06-90, Technical Services Agreement, Village of Sandy Creek, NYS Public Employer Health Emergency Plan
  - d. Resolution No. 2021-06-91, Technical Services Agreement, Town of Tupper Lake , Little Wolf Beach and Campground, Improvement Project

9. Water Quality –

- a. Resolution No. 2021-06-92, Water Quality Management Army Sewer Line, FY2021-2022 Capital Budget Amendment

10. Telecommunications –

- a. Resolution No. 2021-06-93, Authorized Professional Service Contract, Osmose Utility Service

11. Regional Development –

- a. Loan Report
- b. Resolution No. 2021-06-94, Affordable Rental Housing Program, DGL Properties LLC (to be formed), Loan
- c. Resolution No. 2021-06-95, Economic Development Fund, Jefferson County Historical Society, Bridge Financing Loan #2
- d. Resolution No. 2021-06-96, North Country Redevelopment Loan Fund, Jefferson County Historical Society, Ratifying Loan and Grant
- e. Resolution No. 2021-06-97, North Country Value Added Agriculture Revolving Loan Fund, New Subsidiary of Agbotic Incorporated
- f. Resolution No. 2021-06-98, North Country Regional Tourism Transformational Community Revolving Loan Fund, Eastern Resort Management, LLC, Loan Modification
- g. Resolution No. 2021-06-99, Grant Funding Applications, Authorizing Applications
- h. Resolution No. 2021-06-100, 2021 Home Program Year, Authorizing Contracts

12. Executive Session – To Discuss the Employment History of a Particular Individual

13. Executive Director's Report

- a. FYE 2021 Annual Report

14. Finance Report – Chief Financial Officer  
Approving Financials for the month ending April, 2021

15. Next Meeting – August 26, 2021 (Materials Management Facility)

16. Adjourn



**MINUTES**  
**BOARD OF DIRECTORS MEETING**  
**Thursday, May 20, 2021 – 9:30 AM**  
**State Office Building – Conference Room 1, 11<sup>th</sup> Floor**  
**Zoom Conference Call/Teleconference**  
**317 Washington Street, Watertown, New York**

The Development Authority of the North Country Board of Directors met in regular session via Zoom Conference Call/Teleconference and at the State Office Building, 11<sup>th</sup> Floor Conference Room, 317 Washington Street, Watertown, New York on Thursday, May 20, 2021 at 9:30 am.

**Members Present**

*Voting*

Frederick Carter, Chairman  
Margaret Murray  
Dennis Mastascusa  
Alfred Calligaris  
John Johnson Jr.  
Alex MacKinnon  
Gary Turck

*Non-Voting*

Mary Doheny  
James Hollenbeck  
Stephen Hunt  
Nancy Henry

**Members Absent**

Thomas Hefferon  
Brian McGrath

**Staff Present:**

Carl Farone, Executive Director  
Jennifer Staples, Chief Financial Officer  
Carrie Tuttle, Chief Operating Officer  
Stephen Bohmer, Director of Information Technology  
Dawn Caccavo, Comptroller  
Michelle Capone, Director, Regional Development Division  
Laurie Marr, Director of Communications and Public Affairs  
Brian Nutting, Director of Water Quality  
Patricia Pastella, Director of Materials Management  
Regina Rybka-Lagattuta, Director of Human Resources  
David Wolf, Director of Telecommunications  
Angela Marra, Executive Assistant

**Guests:**

Jennifer Granzow, Counsel, Wladis Law Firm

1. Chairman Carter called the meeting to order at 9:37AM.
2. Chairman Carter requested a roll call.

- A quorum of voting and non-voting members was established.

### 3. Privilege of the Floor was offered

A. MacKinnon stated that the Gouverneur Area Development Corp held their first in person meeting in over a year yesterday. The meeting went over a number of activities that the Development Authority is involved in around the Gouverneur area. He further stated that C. Farone's attendance at this meeting was appreciated.

C. Farone announced that today's meeting, due to the Coronavirus emergency restrictions, in compliance with Governor Cuomo's executive order, is being conducted in person as well as via teleconference with several members of the Board in attendance via teleconferencing. The meeting has no in-person public access, but is accessible through livestreaming on the Authority's website. The meeting is being recorded and will later be transcribed for posting to the Authority website. During this meeting, because it is being conducted in part via teleconferencing, it is asked that when speaking please state your name so you may be identified appropriately in the minutes. Lastly, to the Board members attending in person, the microphones are set to off. When speaking please be sure to turn them on.

### 4. Chairman's Report

Chairman Carter stated that Mr. Johnson has elected to step down at the end of his current term, ending June 5, 2021.

Chairman Carter also announced that the Watertown City Council has appointed Ms. Mary Doheny to this voting member position on the Authority Board, effective June 5, 2021 through June 5, 2025.

- a. Resolution No. 2021-03-71, formally conveys the Authority's most sincere gratitude to John B. Johnson, Jr. for 36 years of dedicated service in advancing the interests of the North Country.

This resolution was read aloud during the meeting by C. Farone.

Upon a motion by M. Murray, and seconded by D. Mastascusa, Resolution No. 2021-03-71, In Recognizing John B. Johnson, Jr., Board of Directors, 1985 - 2021, was unanimously approved.

C. Farone read the following statement sent by B. McGrath. "I fully support the very non-controversial resolution 2021-05-71. I greatly respect volunteer public service and believe it says a lot about the character of a person. And as the resolution recognizes, John has given more of his time to this organization than probably anyone. Please note in the minutes that I wholeheartedly thank John for demonstrating the highest level of commitment to his community and this organization. Thank you John, your insights will be greatly missed."

A. MacKinnon stated that sometimes he agrees with J. Johnson, and sometimes he doesn't, but these are the discussions that are important because they are what brings together discussions for proper change in communities. He further stated that he appreciates Mr. Johnson's service.

S. Hunt stated, "There isn't a token or piece of paper that can express the amount of gratitude we have for your service to the State of New York, thank you."

J. Johnson expressed his appreciation for the resolution and the clock, commenting that his time with the organization has resulted in modest successes within the Board. As members and leaders of this Board, we have used education to create a better place within the North Country of which we can all be proud.

5. Upon a motion by D. Mastascusa, and seconded by M. Murray, the minutes from the March 25, 2021 Board Meeting, were unanimously approved.

6. Executive Director's Report – C. Farone

a. Household Hazardous Waste –

The next event will be held on June 5<sup>th</sup> in Watertown. Followed by September 11<sup>th</sup> in Lowville, September 18<sup>th</sup> in Canton, and October 2<sup>nd</sup> in Watertown. Please be sure to take advantage of these events as they are free of charge. Photos were shared of the event last weekend showing the large number of participants.

b. Recycling Transfer Station –

- SCS Feasibility Analysis – MRF

This has remained status quo since the last Board meeting. Lewis and St. Lawrence Counties will begin paying their own hauling cost on June 1. SCS Engineers should have their study completed by the end of May. We will need to work on getting all three counties to participate.

D. Mastascusa asked what the timeline is for the study. C. Farone responded that we should have the results of the feasibility study by the end of May. We will only go on to do Phase II if Phase I is favorable.

J. Johnson stated that there are trash haulers in Jefferson County doing single stream. C. Tuttle stated there is possibly 1800 tons in Jefferson County per year. Overall it could be 7500 to 15000 tons per year depending on partners and rates.

c. Fort Drum –

C. Farone and M. Capone met with Eric Wagenaar on Fort Drum to review their mission and operations. A follow-up tour was provided of the waste water facility, Wheeler Sack Army Airfield, and the ReEnergy power plant. We hope to be able to meet out there sometime soon for a board meeting.

d. Annual Board Forms – Completed -

100% of all requested annual Board forms have been received. The results will be compiled, reviewed with the Chairman, and then with the full Board.

e. Telecommunications – Department of Transportation Fees -

Mark Wladis and C. Farone met with Assemblyman Magnarelli who was working on a bill requesting municipalities be exempt from this fee. At the time of the meeting he agreed he would consider including the Authority in the exemption request. As of this morning, Assemblyman Magnarelli had changed his legislation to include the Development Authority of the North Country. This

will still need to be approved by the Assembly, the Senate, and the Governor. The Assemblyman suggested that municipality support could go a long way for when he is speaking to the Governor and his constituents. Authority staff will be looking to entities such as Jefferson, Lewis, and St. Lawrence Counties and possibly hospitals who could send potential support for this legislation that could help with our exemption.

J. Granzow stated this assemblyman has been very friendly to projects that are beneficial to the public. The last year has shown that this is critical. We are already aware that Verizon plans to contest this. It should be easy to differentiate what the Development Authority does from what private providers do. NPR reported the Central New York Regional Planning Authority is also now sending out surveys and working with Mohawk Valley EDGE on similar legislation.

A. MacKinnon asked if we are paying this fee yet. C. Farone responded no. A. MacKinnon asked if the Authority would pass this charge onto our users as an additional fee. C. Farone responded that as per the legislation we cannot pass along the fee by increasing prices. We are hopeful that the \$1.6 million we have calculated using our GIS information is not correct, as the NYS DOT has told us.

A. MacKinnon stated that it would still mean someone will need to pay this. C. Farone replied that currently new telecommunication builds are assessed this fee to obtain the permit in addition to hiring a surveyor which is time consuming and expensive. We are currently not paying for the existing infrastructure estimated fee of \$1.6 million.

A. MacKinnon asked if this legislation would exempt the Authority from existing and future builds. C. Farone responded yes.

f. COVID Update –

C. Farone reported that 20% of our workforce is still working from home. The Authority continues to be 100% operational. The staff have done a great job in wearing masks, social distancing, and staying healthy. Protocols are changing drastically and very quickly, but we have not changed our protocols yet. The COVID team will meet later this afternoon and determine our next steps. We have asked our staff to provide proof of vaccination so sound judgements can be made on changing protocols.

F. Carter asked if we are going to stay within the HIPPA rules. C. Farone responded yes.

A. Calligaris stated that if an employer requires all staff to vaccinate and someone gets sick from the vaccine that the employer may become liable. C. Farone stated that the Authority is leaving this decision up to the employee whether or not they get vaccinated. It is not going to be required. We have only requested that employees provide documentation if they have been vaccinated so we can better manage the safety of our staff.

C. Farone informed the Board he will be on vacation next week. He will have his phone with him, but the Authority will be covered with C. Tuttle and J. Staples.

## 7. Financials –

### Financial Results - March 31, 2021 – CFO

J. Staples focused on the annual summary. Beginning with operating income it is shown that customer billings is under by \$1.4 million or 6% lower than budget due mainly to materials management where customer billing was off by a half million dollars, mainly under contaminated soil. Materials Management operating revenue was under budget for \$715,000 due to waste diversion. Lewis and St. Lawrence Counties are being invoiced directly for any material they are sending to recycling facilities. An expense was noted that offsets this under the budget.

Grant revenue is below budget by 48% due to lack of loan closings in the Community Development Loan Fund. In general, loan funding is down as well as loan interest income.

In total operating income is down 9% versus budget.

Operating expense less depreciation is under budget by \$3.2 million. J. Staples reviewed some of the larger items that are under budget.

Salaries are under by \$367,000 due to open positions.

Fringe benefits are over budget by \$464,000 due to NYS Pension Expense.

Operating and maintenance was under by \$600,000 with the largest variance, fuels.

Recycling Transfer Station is under by \$873,000 due to recycling facilities directly billing the counties.

Waste Diversion is under by \$469,000 due to the county capital recycling incentive.

Depreciation expense is off due to the Southern expansion.

Interest Income is under budget by \$888,000 due to the overall interest rates being offered today. The current CD average rate for one year is .18% and .32% for five years. The Market adjustment was a \$249,000 reduction based on the current market value. This loss would only be realized if it was cashed in.

Pension expense first line shows a savings of \$114,000 due to people being hired at tier six versus tier four or five. GASB 68 came in at over \$1 million and is only an accounting entry required by GASB (Governmental Accounting Standards Board) which states that because we participate in the state's retirement plan, we must report a proportionate share of the state's plan overall net pension liability. While the pension expense is in our annual audited financial statements, this is not a real cash expense to the Authority.

A. Calligaris asked if the state had to increase their liability for this pension. J. Staples responded there was no reason given as to why. If there is a shortfall we get a portion based on what our pension requirements are. A. Calligaris continued by saying they probably reduced their estimate for the discount and the liability increased for the state. C. Farone responded that the state of New York's total liability did increase.

Lastly, Materials Management waste volumes were projected at 226,370 tons, under budget by 9%. Municipal solid waste was over by 6%, and contaminated soil was under

by 20,221 tons. Contaminated soil is hard to predict as it is based on the number of jobs in any given year. COVID and people not working would have also had an impact on this number. Host community benefits were budgeted at \$780,000 and had a shortfall of \$61,000 based purely on waste volumes.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, the financials ending March 31, 2021, were unanimously approved.

8. Engineering –

a. Technical Services Summary Report –

C. Tuttle reviewed the listed contracts individually, and the table was approved as a whole.

- I. Town of Pamela, Water Quality contract, renewal of an existing contract, Underground utility locating services, as needed/no set fee, 3/1/21 – 2/28/22
- II. Village of Sackets Harbor, Water Quality renewal operation and maintenance, Water Treatment Facility, five year term of the contract through 5/31/26
- III. Village of Sackets Harbor, Water Quality renewal operation and maintenance, Wastewater Treatment Facility, five year term of the contract through 5/31/26
- IV. Village of Adams, GIS Hosting Agreement, Renewal, five year contract worth \$8,200, through 5/31/26
- V. Village of Potsdam, GIS Hosting Agreement, Renewal, five year contract worth \$8,200, through 5/31/26
- VI. City of Ogdensburg, SCADA Service Contract Amendment, wastewater treatment plant improvement, \$12,000, though 12/31/22
- VII. Village of Castorland, SCADA Service Contract, additional service request, \$36,000, through 12/31/22
- VIII. City of Ogdensburg, Technical Services Agreement Amendment, wastewater treatment plant, \$25,000, extend project duration though 12/31/22
- IX. Route 3 Sewer Board, Construction Phase Services Amendment, \$15,500, moved from bidding to construction through 9/30/21
- X. Town of Potsdam, Technical Services Agreement, \$13,750, through 9/30/21
- XI. Village of Alexandria Bay, Extension of Services, Water/sewer village rate study implementation, \$8,500, through 10/31/21
- XII. Village of Clayton, Funding administrative Design Services associate with FEMA grant, \$25,000, through 10/31/21

Upon a motion by M. Murray, and seconded by A. MacKinnon, Board Contract Summary Table for the month of May, was unanimously approved.

- b. Resolution No. 2021-05-72, authorizing the Executive Director to enter into a GIS hosting agreement in accordance with the terms of the contract within Table 1 in the resolution.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2021-05-72, Authorizing GIS Hosting Agreement, Village of Lacona, was unanimously approved.

9. Regional Development –

## Loan Report – M. Capone

Within the current loan portfolio, all loans are being paid as agreed, with the exception of MCM Development in Franklin County. This project has been completed and the restaurant has been opened. Due to COVID they are struggling some and are 49 days past due. They have requested a moratorium and M. Capone will be reviewing for Project Development Committee approval.

M. Capone further reported the approval of a grant through the New York State Grown and Certified Ag Producers Grant Program. There have been a few projects that have not moved forward so the funds have been recaptured resulting in additional available funding.

A grant has recently been approved for Susan Saunders for Killian Biohoff in St. Lawrence County in the amount of \$11,938. A piece of equipment was overlooked on the grant list increasing the actual grant amount to \$16,638 and M. Capone wanted this difference noted in the minutes.

There may be funding available for one last grant.

- a. Resolution No. 2021-05-73, accepting the Annual Report as the sole member of the Housing Development Fund Company (HDFC), and further waives the written consent, and confirms the existing directors of the HDFC until their next Annual Meeting

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2021-05-73, Accepting Annual Report, Creek Wood Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- b. Resolution No. 2021-05-74, accepting the Annual Report as the sole member of the Housing Development Fund Company (HDFC), and further waives the written consent, and confirms the existing directors of the HDFC until their next Annual Meeting

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2021-05-74, Accepting Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- c. Resolution No. 2021-05-75, approving a line of credit loan up to \$150,000 to Cambray Housing Corporation from the Affordable Rental Housing Program subject to the terms and conditions in the Term Sheet attached to the resolution, and further Authorizes the Executive Director or Chief Financial Officer to execute all documents necessary. It is further resolved to be considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

M. Capone explained the previously demolished units were on the river and consistently flooded. This resolution is unique in that there is no mortgage due to timing as it will go before the state in August for the final grant amount approval. Community Bank has already approved the construction financing. If we were to do

a mortgage it could take two months and this funding is needed today. This project has been in service since the 1970's.

Upon a motion by F. Carter, and seconded by A. MacKinnon, Resolution No. 2021-05-75, Approving Affordable Rental Housing Program, Cambray Housing Corporation, Loan, was unanimously approved.

M. Capone further stated that once this loan is paid in full with the construction financing, we may see a request for a term loan which would be a second mortgage position where we would be able to negotiate those terms.

- d. Resolution No. 2021-05-76, modifying the commitment of a loan in the amount of up to \$190,000 (\$65,000 Community Rental Housing Program/\$125,000 Community Development Loan Fund) to the Heuvelton Historical Association at the terms and conditions in the Term Sheet attached to the resolution, and further Authorizes the Executive Director or Chief Financial Officer to execute all documents necessary. It is further resolved to be considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2021-05-76, Approving the Community Development Loan Fund, Community Rental Housing Program, Heuvelton Historical Association Loan Modification, was unanimously approved.

- e. Resolution No. 2021-05-77, approving a loan in the amount of \$155,000 to the St. Lawrence County Arts Council at the terms and conditions outlined on the Term Sheet attached to the resolution, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan. It is further resolved to be considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

M. Capone reported that the St. Lawrence County Arts Council received the \$577,800 they requested from the downtown revitalization initiative (DRI) and will be able to do improvements to the facility. We may see a request for bridge financing of the state DRI funds in the future.

Upon a motion by A. MacKinnon, and seconded by A. Calligaris, Resolution No. 2021-05-77, Approving Community Development Loan Fund, St. Lawrence County Arts Council, Loan, was unanimously approved.

- f. Resolution No. 2021-05-78, approves the loan modification for Scalisi & Bernazzani Financial Services, LLC releasing 25393-453 NYS Route 26, Great Bend, from the mortgage subject to receipt of a payment of approximately \$42,506.72, to be adjusted for payments received, and further authorizes the Executive Director or the Chief Financial Officer to execute all necessary documentation.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2021-05-78, Approving Community Rental Housing Program, Scalisi & Bernazzani Financial Services, LLC, Loan Modification, was unanimously approved.

- g. Resolution No. 2021-05-79, ratifies the grant/loan commitment in the amount of up to \$200,000. (\$100,000 loan/\$100,000 grant) from the North Country Redevelopment Fund to the St. Lawrence County Property Development Corporation at the terms and conditions outlined on the Term Sheet attached to the resolution, consistent with the Empire State Development program requirements and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan. It is further resolved to be considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by A. Calligaris, and seconded by A. MacKinnon, Resolution No. 2021-05-79, Authorizing North Country Redevelopment Loan Fund, St. Lawrence County Property Development Corporation, Ratifying Loan and Grant, was unanimously approved.

- h. Resolution No. 2021-05-80, ratifies a loan in the amount of \$300,000 from the Regional Tourism Transformational Community Revolving Loan Fund to Dalai Mama Inc. at the terms and conditions outlined in the Term Sheet attached to the resolution, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan. It is further resolved to be considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

M. Capone stated the woman doing this project has done many transformative projects in the Buffalo area. Her idea of retiring is going to the Adirondacks and buying and renovating another property.

Upon a motion by F. Carter, and seconded by M. Murray, Resolution No. 2021-05-80, Authorizing Regional Tourism Transformational Community Revolving Loan Fund, Dalai Mama, Inc., was unanimously approved.

- i. Resolution No. 2021-05-81, authorizes a technical services agreement with the Village of Tupper Lake of up to \$35,000 to provide program delivery and grant administration for a NYS Affordable Housing Corporation grant, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary.

M. Capone stated this was not part of the Summary Table because it is outside the three county region. As done with the Town of Gouverneur, we will be utilizing the village code enforcement officer.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2021-05-81, Authorizing Technical Services Agreement, Village of Tupper Lake, Affordable Housing Corporation Grant, was unanimously approved.

#### 10. Materials Management -

- a. Resolution No. 2021-05-82, authorizes to implement said rules, applications, permits, and fees attached to the resolution effective May 20, 2021.

C. Tuttle stated that the updates made were primarily related to insurance requirements, safety requirements, the list of unacceptable waste that is allowed to be received, and the current procedures for accepting special waste approval.

Upon a motion by M. Murray, and seconded by A. Calligaris, Resolution No. 2021-05-82, authorizing Operating Permit Rules and Requirements, Materials Management Facility, Revision, was unanimously approved.

#### 11. Water Quality -

- a. Resolution No. 2021-05-83, authorizes the Executive Director to enter into an amended Sewer Service Agreement with the Town of LeRay for Sewer Districts 1, 2, and 4.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2021-05-83, authorizing Sewer Service Agreement Amendment No. 1, Town of LeRay, Sewer Districts No. 1, 2, and 4, was unanimously approved.

- b. Resolution No. 2021-05-84, authorizes the Executive Director to enter into an Amended Water Service Agreement with the Town of Pamela for Water Districts 1, 2, and Consolidated 1. It is further resolved that the Executive Director is authorized to execute Permanent Easements for Water Supply Facilities with the Town of Pamela.

Upon a motion by M. Murray, and seconded by A. Calligaris, Resolution No. 2021-05-84, authorizing Water Service Agreement Amendment No. 1, Town of Pamela, Water Districts No. 1, 2, and Consolidated 1, was unanimously approved.

#### 12. Additional Resolution –

- a. Resolution No. 2021-05-85, authorizes the Executive Director to respond to the RFP, and if successful execute a 20 year IRU agreement with NYPA for the construction and maintenance of a dark fiber network, and further authorizes an agreement with UNITI and Crown Castle for an IRU in fiber between Plattsburgh and Albany to complete said NYPA project. It is further resolved to authorize the Comptroller to establish a capital project in the amount of \$1,000,000 (NYPA Dark Fiber Project), with said funds from the telecommunications capital reserve.

D. Wolf stated that the Authority costs would be about \$30,000 to \$40,000 with the majority of the money going to UNITI and Crown Castle. Because we are familiar with the complicated online process, they have asked the Authority to be the lead.

F. Carter asked if the Authority was getting in to the situation where we're bidding against private companies. D. Wolf replied that 90-95% of this would be the Authority working with private companies, we would just be the lead. Yes we are bidding against them, because NYPA asked us to so they had more than one quote to review.

F. Carter then asked why the Authority couldn't work with them at a cost to allow them to hook into our system without bidding against private industries. D. Wolf responded

this was because the Authority has leased fiber in that footprint and have electronics on both ends, but does not have the dark fiber they require for their security and network management as they want to create their own private network and keep it separate from any connections to electronics.

F. Carter asked if the two companies we are dealing with are not bidding on this. D. Wolf replied that they are not because only one of them has fiber in the Albany area. The other owns fiber on Route 87 but they were not invited to bid, and they are not able to complete the job in time. Because of this they have asked for the Authority to help with the project and be the lead.

F. Carter asked if there are any other private companies along Route 87 that could bid on this. D. Wolf replied that there are others who have fiber but they lease it from UNITI. Another company that is selling it has some fiber on the railroad system that goes from Albany to Plattsburgh, but they are working with us as well. We have also been requested to get the last ten miles north of Plattsburgh to the substation because nobody else wants to build it. There isn't anybody that we are aware of that NYPA would consider for this job.

J. Johnson asked if the dark fiber for NYPA will not have anyone on it until it is ready. D. Wolf replied that the only use will be for their internal use with their electronics on the ends just like they did on the Authority dark fiber. J. Johnson commented that this would help prevent a "Colonial Pipeline" type of problem. D. Wolf confirmed that and further stated there would be no cyber security attacks. A. MacKinnon asked if this dark fiber is not connected to the internet in any way. D. Wolf confirmed and stated it cannot be touched or hacked.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2021-05-85, authorizing Capital Project, Telecommunications, New York Power Authority RFP, was unanimously approved.

### 13. North Country Recycles Advertisement –

L. Marr introduced the new North Country Recycles commercial. She stated that the Recycling Promotion Committee has been working on some new advertisements and three have been in production. This first one is timely involving packaging materials that would be delivered with the recent increase in online ordering. The basic premise behind each ad is to direct people to the North Country Recycles website where all information can be found broken down by county. The one being shown today has not been on TV yet because we are waiting to run all three, so they can run on a rotation and not saturate the viewing market.

### 14. Broadband Presentation – DMW/LAM –

C. Farone introduced D. Wolf and L. Marr to present on the Lewis County Broadband Survey. Lewis County has been completed, Jefferson and St. Lawrence are in the process of being completed but are not yet finalized.

L. Marr discussed that this has been going on since last fall when the Authority partnered with the three counties and ECC Technologies to conduct broadband studies in the three individual counties. In each county there was an inventory portion and a

resident/business portion. L. Marr stated she will present on the resident portion while D. Wolf will discuss the inventory portion and show what can be done with the collected data.

L. Marr continued by explaining this was a web based survey of residents and businesses, and many were asking why we wanted to find out who has internet access. The survey could be done electronically on a phone, tablet, or any kind of device. This could also be done from a public location if need be. If they did not have electronic access, the county planning departments provided paper surveys, or people could cold call their office and they would complete the survey with them over the phone. A speed test was also part of the survey to access how quickly they were able to download and upload information. L. Marr promoted the survey within the three counties by using paid advertising, putting up flyers on telephone poles and in shops and places locals would congregate. Flyers with QR codes were handed out to people at COVID testing sites and vaccination clinics as they opened. Many organizations included the survey information with mailings to their members or sent email blasts with a link. An online portal was made available and many organizations made the link available on their own portal. Social media was used. School districts worked with us to use their electronic means of communicating with parents to send information out and encourage people to do the survey. Lewis County had 1,352 total responses. 91% of those responses were residential, and 23% reported they had no access to broadband or only had DSL or dial up. If you also include those who only have satellite or cellular hotspot it increases to 49% meaning that 49% are unserved or underserved. The people in Lewis County were very passionate about this issue and had over 460 comments that people took the time to write on their surveys. These comments provide great feedback for the county legislators to help develop a path forward. For those who reported they do have access, many cannot purchase the speed they need and this was made very clear during COVID while working and schooling from home. 73% of the people said this was simply because the needed internet speeds were not available. Some said it was too expensive. Every question's response information is mapped and graphed.

D. Wolf began by expressing his appreciation to Mr. Johnson by saying that over his 13 years with the Authority he has been in awe of his knowledge, both historic and current of the communities we serve, as well as his understanding of the Authority. He further expressed that he is sure we can all say we appreciate his support of the Development Authority as he has always been very kind to us all.

D. Wolf continued with broadband inventory stating it was developed as a wireline inventory meaning we are only looking at wired connections like fiber and coax. With the assistance of the Authority's GIS group a last mile dashboard was developed and has been shared with our county partners. D. Wolf went on to explain the mapped images with sharing the graphical information on some statistics which can be changed if need be. It currently shows the New York State Broadband award winners as well as federal government and rural development opportunity fund winners. By clicking on each county, this information repopulates based on which is selected. The view can be changed to street level or topography. Each map is also divided into layers to show school district boundaries, the Rural Development Fund Award winners and New York State Broadband Award locations which is important so we can see who has been awarded funding and will be served in the very near future. This all allows us to see those areas still left for funding so we don't duplicate efforts. Regarding inventory, items such as 911 towers, telephone company fiber, cable TV, cell towers, fiber, and coax are plotted on the map showing that service on routes 12 and 26 corridor are well served.

Around the outside there are few services that are available. Homes are represented by pink dots and counted as parcels rather than structures so we can see if underserved areas have residents in them. Using road data, the GIS department was able to help us see where things are not by showing unserved areas in yellow clearly showing the target areas such as Copenhagen. Lewis County shows a lot of yellow, Jefferson County has very little yellow, and St. Lawrence is well covered in the north but the southern part has fewer people and they are much less served and could use more help. Fiber to the home would be best and Lewis County has committed money to help fill this gap.

M. Doheny asked if we had wireless coverage maps. D. Wolf responded this was left off because the coverage maps are more speculative. Instead our consultant drove every single road in each of the counties and looked for where there was fiber and where it or coaxial cable was going into home. Satellite coverage can be very slow and not as useful for those working from home. Newer satellite coverage is difficult to map as it changes daily and is still more spotty than constant and is still being debated as to if it will be good broadband. It is also expensive costing about \$500 up front and \$99 per month.

J. Johnson asked if all the customers are electrified. D. Wolf responded yes that he believes they have electricity. J. Johnson commented that they were electrified in the depression during the rural electrification effort which transformed this whole country. He further asked if this doesn't begin to point the way with some sort of similar effort for rural America to make sure broadband is there. D. Wolf responded that there is much debate and funding about this right now. With all the new technologies coming out it will be an interesting few years and we are only hoping that we choose the right technologies and solutions.

F. Carter asked if the children being educated in rural areas have high speed technology when the project is complete. D. Wolf responded that in 37% of those who did the speed test, half had less than 25 Mbps. There are still many old DSL lines in Lewis County that don't even get that speed. Most of the funding coming out now addresses that and upgrades need to be able to demonstrate they are providing 100 megabits per second. Our recommendation when speaking with each of the counties will be to get 100 MB service as it is important to the kids and those working from home.

F. Carter asked if we were lobbying for grant funding or are we using state aid. D. Wolf responded that we have not yet because we haven't done residential last mile. We have worked with Lewis County on one NBRC Grant, but right now we are mostly in an advisory role with the counties and communities. If they then want to ask us to get involved we would find a for-profit service provider to manage that project but with us involved they wouldn't need to have that big capital cost up front. We have infrastructure in a lot of these areas our role might be to continue to help with the infrastructure piece. We would then only get a small piece of the revenue to build, service, and maintain the fiber. We are not in this to grow the Authority.

C. Farone stated that part of doing this analysis was to prepare for that by gathering the details. We will have actual proof about the underserved areas. When we met with Lewis County they immediately approved \$1 million in funding to support broadband. Now they are working with M. Capone and D. Wolf at a committee level to help Lewis County prepare the grant applications they have.

F. Carter stated he does not want to miss out on grant and federal funding to get what we need to help. C. Farone responded that we will be applying when we can. Some we

can't because we already have the grant. M. Capone is well apprised of the grant opportunities that are out there and we will be applying for grants in collaboration with the counties.

A. MacKinnon commented that these things, like the Rural Electrification Act John mentioned, do work. He further stated that he has (Verizon) FiOS at his house in rural St. Lawrence County that was installed as part of the grant application that came through for last mile providers and Verizon put in FiOS providing him with 200 Mbps. He added that if there is a telephone pole the line is there just like the Rural Electrification Act, and that is what is going to happen. In those days the farmers had to place the pole in the middle of their field, because they were the most direct route for pole placement, then the company came in and ran the line. That is what is going to have to happen with this particular grant sometimes there would be 25 Verizon crews stringing wire in parts of town. This is what is going to have to happen, in fact it is happening, it is just going to take time. F. Carter commented that the bottom line is the kids needs the high speed internet.

L. Marr asked what can be done with all of this survey information, what are the next steps. L. Marr and D. Wolf went to Lewis County to present the survey findings to the legislature at the meeting. They were so excited by this that they committed \$1 million and their county manager created an ad hoc committee to drive the broadband solutions forward. This committee will include some legislators and M. Capone and D. Wolf from the Authority. Brainstorming began immediately. First they needed to decide where they wanted to focus. This is where the counties get to take all the provided information and decide their own destiny. Lewis County chose the Town of Denmark which was one of the places that we saw on the map where they needed a lot of help. Jefferson County's data analysis is almost completed and L. Marr is waiting to receive the draft report. They had over 1200 surveys completed. The sense of urgency was not the same in Jefferson County as more people already have this service. St. Lawrence County's surveys just closed last week with over 1800 completed. We should have their draft final report by mid-June.

M. Doheny asked if the Jefferson County schools had their own information from this. L. Marr responded that she didn't believe so because during COVID, some of the schools decided to do something while others didn't leaving a lot of the data incomplete with much inconsistency. Rather than just have the districts do something on the district level, we asked them to help get the word out for our survey. When St. Lawrence County began with their survey L. Marr had school superintendents calling her about the survey and giving information on the number of families they wanted to get the survey out to. There was also a person from the St. Lawrence County BOCES office which was involved in trying to help get service to homes so they were very helpful too.

M. Doheny asked if the state was going to require an emergency broadband provider. D. Wolf responded that the emergency broadband program is a federal government provided service and that beginning May 12<sup>th</sup> individuals could go online to apply. If there is a provider in their area and they are approved, there is \$50 per month payment federally for broadband. This link has been shared with the counties and BOCES. This funding allocated through this program will likely run out in six months. The state has mandated the \$15 monthly fee, although Verizon is contesting because if they are forced to do this they may end up abandoning service to whole towns because they can't afford to continue at this cost. However if they only have below 20,000 subscribers they would be exempt from providing at this price.

A. MacKinnon commented that the service in his area is so clear they were able to watch the Syracuse game streamed through his niece's phone in the family sugar shack just like it was regular TV.

J. Johnson commented this may be a new sales approach for real estate.

M. Doheny commented that this is a very important issue.

F. Carter stated that they hope to have more information from survey results by the September Strategic Planning meeting

15. Next Board Meeting Date – June 24, 2021

16. Upon a motion by A. MacKinnon, and seconded by M. Murray, the meeting was adjourned at 11:35 AM.

Respectfully submitted,



Dennis Mastascusa  
Board Secretary

*PREPARED EXCLUSIVELY FOR:*  
**DEVELOPMENT AUTHORITY OF  
THE NORTH COUNTRY**

FISCAL YEAR END MARCH 31, 2021

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**Wealth  
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*Development Authority of the North Country*  
*April 1, 2020 - March 31, 2021*  
*Fiscal year end - March 31, 2021*  
*Portfolio Review*

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We have compiled the performance numbers for the fiscal year end March 31, 2021.

Please keep in mind that we are making manual calculations which are not as exact as computer-generated ones, especially when numerous transfers were made. **We try our best to put the numbers together but we still recommend that the custodian start generating computerized audited returns.**

The longer-term bonds did not perform as well in the fiscal year end. Our portfolios are invested in mainly short to intermediate-term instruments, but the portfolio held up relatively well in a volatile environment. We'd also note that with FDIC - insured CDs that are held to maturity, negative market value adjustments do not reflect lost capital, only a lower mark-to-market value one would receive if one were to sell prior to maturity.

The consolidated Comerica account finished the year with total net income of \$822,889.56 or 0.98%. The Bank of NY Capital Improvement account generated net income of \$43,913.49 or 0.51% for the year. The total portfolio net income generated for the year was \$866,803.05 or 0.93%. We are still staying relatively short for fear of a spike in interest rates that could erode the value of your portfolio if we were too aggressive with longer maturities. This strategy is keeping up with the indices we compare to on the shorter end.

The market value adjustment for the Comerica accounts for the year was -\$60,774.77 or --0.07% and for the Bank of NY Capital Improvement account was -\$65,439.19 or -0.75%. The portfolio total adjustment was -\$126,213.96 or -0.14%. The total return after the market value adjustment for the Comerica accounts was \$762,114.79 or 0.91% and the total return for the Bank of NY Capital Improvement account was -\$21,525.70 or -0.25%. The total portfolio return after market value adjustment for the year was \$740,589.09 or 0.80%.

Please note that the market value data we provide in the pages to follow represent a significant portion of the net return but only represent the best estimates of the pricing data provider. As these securities do not always actively trade, pricing data providers use proprietary methods to determine a price for a specific day. Across providers, these values can vary substantially, as we have noticed in reviewing holdings across the portfolio. These varied methodologies can significantly effect market value adjustments.

On an individual account basis the net return numbers including market value adjustments were the following:

**Comerica Accounts:**

Replacement Reserve	0.93%	Community Rental	1.03%
General Operating	0.85%	Affordable Rental	0.98%
Water / Sewer	1.50%	Revolving Loan	0.64%
Closure Post Closure	0.61%	Wetlands Mitigation	1.26%
Economic Fund	0.05%		
Open Access	0.86%	<b><u>Bank of NY Account:</u></b>	
OPEB	0.89%	Capital Improvement	-0.25%
TIP Fee	1.73%		
NCEDF	0.97%		

For the same period the following benchmarks performed as follows:

3 month T Bill	0.12%
<b>Barclays US Aggregate Government - Treasury</b>	<b>-4.43%</b>
<b>Barclays US Government/Credit</b>	<b>0.86%</b>

Please keep in mind that we are making manual calculations which are not as exact as computer generated ones, especially when numerous transfers were made. Your statement is the main source of information for your account.

Returns shown may reflect effects of transfers.

This information has been derived from sources believed to be reliable, but is not guaranteed as to accuracy and completeness and does not purport to be a complete analysis of the material discussed. Past performance is not indicative of future results.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Consolidated Comerica Accounts

Review

April 1, 2020 - March 31, 2021

Fiscal year end - March 31, 2021

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<b>March 2020 - Statement on Market Value</b>	<b>\$</b>	<b>84,349,211.51</b>	
April 2020 - Income	\$	95,948.52	
May 2020 - Income	\$	84,454.68	
June 2020 - Income	\$	80,846.29	
July 2020 - Income	\$	79,944.35	
August 2020 - Income	\$	71,043.62	
September 2020 - Income	\$	71,933.43	
October 2020 - Income	\$	78,632.98	
November 2021 - Income	\$	56,774.64	
December 2021 - Income	\$	52,331.23	
January 2021 - Income	\$	58,030.49	
February 2021 - Income	\$	53,155.71	
March 2021 - Income	\$	66,603.31	
<b>Total Income for FYE March 2021</b>	<b>\$</b>	<b>849,699.25</b>	
March 31, 2020 - Accrued Income	\$	(151,084.92)	
March 31, 2021 - Accrued Income	\$	124,275.23	
<b>Change in Accrued Income</b>	<b>\$</b>	<b>(26,809.69)</b>	
Total Net Income for the Full Year	\$	822,889.56 (or)	0.98% Total Net Income
Market Value Adjustment for the Full Year	\$	(60,774.77) (or)	-0.07% of Portfolio's Value
<b>Total Return for the Full Year</b>	<b>\$</b>	<b>762,114.79 (or)</b>	<b>0.91% Total Return</b>
Transfer of assets and cash in	\$	248,000.00	
Transfer of assets and cash out	\$	(748,000.00)	
<b>March 31, 2021 - Statement on Market Value</b>	<b>\$</b>	<b>84,611,326.30</b>	

Please keep in mind that we are making manual calculations which are not as exact as computer generated ones, especially when numerous transfers were made. Your statement is the main source of information for your account.

Returns shown may reflect effects of transfers.

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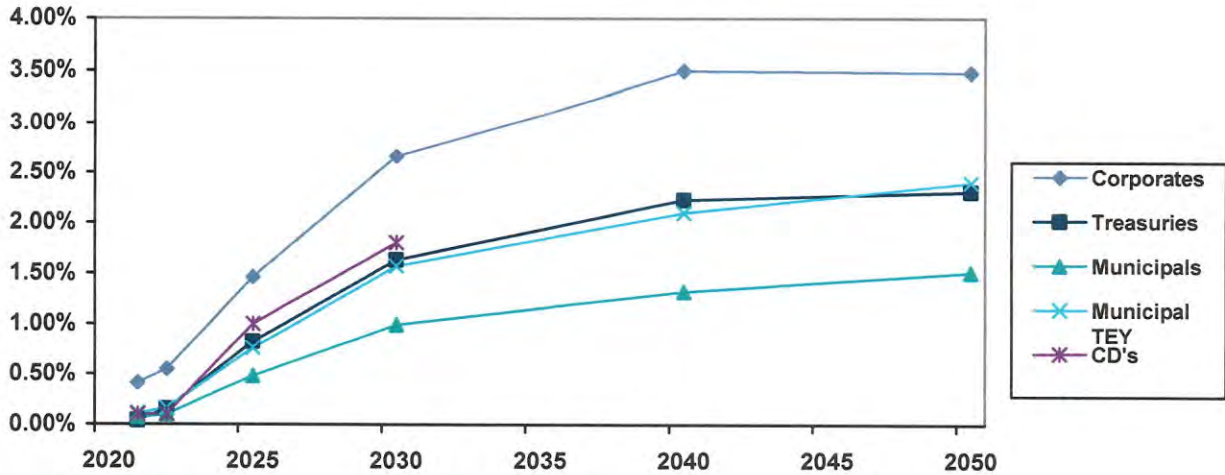
# Interest Rate Market Monitor

Portfolio Advisory Group – U.S. Fixed Income

RBC Wealth Management, a division of RBC Capital Markets, LLC. Member NYSE/FINRA/SIPC.

Indicated Yields for Selected Securities  
All Indications are for Round Lots

As of June 1, 2021



\*Tax-equivalent yield (TEY) is based on Federal tax exemption for taxpayers in the 37.0% bracket.

	BBB+ Rated		AAA Municipals		CDs		Mortgage Backed	Treasury Zeros	
	Treasuries	Agencies (non-call)	Industrial Corporates	G.O.	TEY*	Coupon		APY*	Maturity
3 month	0.01%					0.04%	0.04%		
6 month	0.03%					0.05%	0.05%		
1 year	0.04%	0.00%	0.41%	0.07%	0.11%	0.10%	0.10%	05/15/22	0.02%
2 year	0.15%	0.12%	0.55%	0.10%	0.16%	0.10%	0.10%	05/15/23	0.13%
5 year	0.82%	0.66%	1.46%	0.48%	0.76%	1.00%		05/15/26	0.89%
10 year	1.63%	1.68%	2.66%	0.99%	1.57%	1.80%		05/15/31	1.83%
15 year	1.93%		3.27%	1.15%	1.83%		2.54%	05/15/36	2.18%
20 year	2.23%	2.09%	3.50%	1.32%	2.10%			05/15/41	2.41%
30 year	2.31%	2.15%	3.48%	1.51%	2.40%		3.23%	05/15/51	2.39%

The securities listed above are general obligations of the issuer and are not mortgage-backed securities.

Yields on round lot national offerings and can differ considerably by region. Municipal yields are as of the close of the prior day and may not reflect the current market if overall market yields have moved significantly.

\*The annual percentage yield (APY) assumes interest payments reinvested at the coupon rate. FDIC Insured up to \$250,000. APY applies to maturities shorter than one year. All securities are non-callable.

Yields are quoted based on average life which takes into account mortgage prepayment assumptions which may or may not be met

Principal value is subject to market fluctuation and, if sold prior to maturity, yields may be different from those listed. Interest income is subject to taxes annually as ordinary income, even though income is not received until maturity.

**Cyril Mouaikel**  
**Managing Director – Branch Director -**  
**Senior Portfolio Manager – Portfolio Focus**  
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Yields stated above represent annualized yield-to-maturity (YTM), unless otherwise noted. The rates here are only meant as a general guideline. They do not represent actual offers or transactions. All indications are for round lots. Actual prices and available yields may be impacted by transaction size, ticket charges and other transaction costs. **Call your RBC Wealth Management Financial Advisor for current market rates.** Statements of fact have been obtained from sources considered reliable but no representation is made as to their completeness or accuracy. The firm or persons associated with it may at any time be short or long any securities mentioned in the study and may from time to time sell or buy such securities.

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## RBC Wealth Management Fixed-Income Strategies Group

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Period Ending March 31, 2021

In percentages, based on U.S. dollars	Last month	Trailing 3 mo.	YTD	Annualized total returns					Calendar period total returns							Cumulative total returns			
				1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2020	2019	2018	2017	2016	2015	2014	3 Yr	5 Yr	7 Yr	10 Yr
<b>Balanced</b>																			
20% MSCI World (Net)   80% Bloomberg Barclays U.S Aggregate1	-0.33	-1.74	-1.74	9.96	6.52	5.27	4.74	4.87	9.68	12.45	-1.63	7.09	3.71	0.42	5.81	20.87	29.28	38.25	60.94
40% MSCI World (Net)   60% Bloomberg Barclays U.S Aggregate1	0.58	-0.09	-0.09	19.88	8.28	7.38	6.10	6.24	11.62	16.21	-3.33	10.75	4.73	0.22	5.63	26.96	42.79	51.32	83.14
50% MSCI World (Net)   50% Bloomberg Barclays U.S Aggregate1	1.04	0.74	0.74	25.10	9.12	8.42	6.75	6.89	12.49	18.11	-4.19	12.62	5.23	0.08	5.53	29.92	49.81	57.96	94.76
60% MSCI World (Net)   40% Bloomberg Barclays U.S Aggregate1	1.50	1.57	1.57	30.51	9.92	9.44	7.38	7.53	13.31	20.01	-5.07	14.52	5.71	-0.07	5.43	32.81	56.99	64.66	106.67
80% MSCI World (Net)   20% Bloomberg Barclays U.S Aggregate1	2.41	3.24	3.24	41.88	11.43	11.43	8.60	8.75	14.74	23.83	-6.87	18.40	6.63	-0.43	5.19	38.37	71.81	78.14	131.26
<b>Domestic fixed income</b>																			
Bloomberg Barclays US Universal	-1.16	-3.05	-3.05	2.95	4.86	3.59	3.57	3.77	7.58	9.29	-0.25	4.09	3.91	0.43	5.56	15.31	19.31	27.87	44.79
Bloomberg Barclays US Aggregate	-1.25	-3.37	-3.37	0.71	4.65	3.10	3.31	3.44	7.51	8.72	0.01	3.54	2.65	0.55	5.97	14.62	16.51	25.59	40.25
Bloomberg Barclays US Intermediate Aggregate	-0.69	-1.61	-1.61	1.38	4.17	2.66	2.82	2.88	5.60	6.67	0.92	2.27	1.97	1.21	4.12	13.05	14.02	21.46	32.88
Bloomberg Barclays US Aggregate Government - Treasury	-1.54	-4.25	-4.25	-4.43	4.09	2.23	2.69	2.90	8.00	6.86	0.86	2.31	1.04	0.84	5.05	12.78	11.63	20.43	33.16
Bloomberg Barclays US Aggregate Government	-1.51	-4.14	-4.14	-4.26	4.10	2.25	2.69	2.83	7.94	6.83	0.88	2.30	1.05	0.86	4.92	12.81	11.79	20.40	32.25
Bloomberg Barclays US Government/Credit	-1.54	-4.28	-4.28	0.86	4.99	3.36	3.48	3.70	8.93	9.71	-0.42	4.00	3.05	0.15	6.01	15.74	17.98	27.08	43.83
Bloomberg Barclays US Intermediate Government/Credit	-0.78	-1.86	-1.86	2.01	4.36	2.75	2.77	2.88	6.43	6.80	0.88	2.14	2.08	1.07	3.13	13.65	14.53	21.09	32.82
Bloomberg Barclays US Aggregate Credit - Corporate - High Yield	0.15	0.85	0.85	23.72	6.84	8.06	5.42	6.48	7.11	14.32	-2.08	7.50	17.13	-4.47	2.45	21.97	47.32	44.71	87.41
Bloomberg Barclays US Aggregate Credit	-1.59	-4.45	-4.45	7.88	5.95	4.67	4.42	4.83	9.35	13.80	-2.11	6.18	5.63	-0.77	7.53	18.92	25.61	35.34	60.30
Bloomberg Barclays US Aggregate Credit - Corp. - Investment Grade	-1.72	-4.65	-4.65	8.73	6.20	4.91	4.60	5.04	9.89	14.54	-2.51	6.42	6.11	-0.68	7.46	19.78	27.07	36.98	63.50
Bloomberg Barclays Municipal Bond	0.62	-0.35	-0.35	5.51	4.91	3.49	4.00	4.54	5.21	7.54	1.28	5.45	0.25	3.30	9.05	15.47	18.72	31.61	55.84
Bloomberg Barclays Municipal Bond 3 Year	0.27	0.15	0.15	3.50	2.81	1.87	1.74	1.84	2.97	3.67	1.76	1.56	0.08	1.18	1.22	8.66	9.73	12.87	19.98
Bloomberg Barclays Municipal Bond 7 Year	0.50	-0.54	-0.54	5.59	4.71	3.05	3.43	3.86	5.11	6.74	1.66	4.49	-0.50	3.26	6.09	14.82	16.20	26.65	46.02
Bloomberg Barclays Municipal Bond 10 year	0.56	-0.57	-0.57	5.44	5.25	3.54	4.12	4.66	5.62	7.70	1.41	5.83	-0.12	3.76	8.72	16.59	18.99	32.63	57.67
Bloomberg Barclays Municipal Bond 20 Year (17-22 Y)	0.83	-0.30	-0.30	6.40	5.90	4.38	5.10	5.82	6.19	9.29	1.08	7.47	0.49	3.93	13.03	18.76	23.89	41.66	76.09
BofA Merrill Lynch US Treasury Bill (3 M)	0.01	0.03	0.03	0.12	1.49	1.19	0.87	0.63	0.67	2.28	1.87	0.86	0.33	0.05	0.03	4.55	6.09	6.24	6.51
Citigroup US Inflation-Linked Securities	0.15	-1.70	-1.70	7.73	5.86	3.99	3.58	3.56	11.59	8.74	-1.49	3.34	4.82	-1.73	4.55	18.61	21.59	27.94	41.94
BofA ML U.S. Convertible - All Convertibles/All Qualities	-3.15	2.86	2.86	74.13	21.91	18.80	13.12	12.35	46.22	23.15	0.15	13.70	10.43	-2.99	9.44	81.16	136.62	137.05	220.48
BofA ML Fixed Rate Preferred Securities	1.63	-1.03	-1.03	16.09	6.38	5.82	6.51	6.30	6.95	17.71	-4.34	10.58	2.32	7.58	15.44	20.37	32.72	55.48	84.20
S&P/LSTA U.S. Leveraged Loan 100	-0.31	1.02	1.02	15.28	4.05	5.01	3.50	3.89	2.84	10.65	-0.62	3.31	10.88	-2.75	0.99	12.66	27.69	27.24	46.47
<b>Global and International fixed income</b>																			
Bloomberg Barclays Global Aggregate	-1.92	-4.46	-4.46	4.67	2.80	2.66	2.00	2.23	9.20	6.84	-1.20	7.39	2.09	-3.15	0.59	8.64	14.01	14.85	24.69
Bloomberg Barclays Global Aggregate x US	-2.42	-5.29	-5.29	7.15	1.15	2.13	0.91	1.26	10.11	5.09	-2.15	10.51	1.49	-6.02	-3.08	3.48	11.09	6.58	13.29
Bloomberg Barclays Global High Yield	-0.93	-0.95	-0.95	24.74	4.74	6.77	4.55	5.95	7.03	12.56	-4.06	10.43	14.27	-2.72	0.01	14.89	38.77	36.50	78.30
BofA Merrill Lynch Global Broad Market x US	-2.64	-5.99	-5.99	6.45	0.85	1.95	0.80	1.21	10.33	4.86	-2.20	10.37	1.69	-6.01	-3.05	2.56	10.15	5.73	12.74
Citigroup WGBI	-2.09	-5.68	-5.68	1.82	2.09	2.15	1.55	1.66	10.11	5.90	-0.84	7.49	1.60	-3.57	-0.48	6.40	11.22	11.33	17.84
Citigroup Non-USD WGBI	-2.59	-6.42	-6.42	5.65	0.88	1.99	1.00	1.11	10.78	5.32	-1.82	10.33	1.81	-5.54	-2.68	2.65	10.36	7.23	11.68
<b>Alternatives</b>																			
CPI for all Urban Consumers (CPI-U) <sup>3</sup> **one month lag	0.35	1.04	0.61	1.68	1.82	2.03	1.60	1.72	1.30	2.26	1.92	2.10	2.05	0.64	0.65	5.56	10.73	11.72	18.60
Bloomberg Commodity Index	-2.15	6.92	6.92	35.04	-0.20	2.31	-5.81	-6.28	-3.12	7.69	-11.25	1.70	11.77	-24.66	-17.01	-0.60	12.07	-34.23	-47.72
S&P GSCI	-2.15	13.55	13.55	50.22	-4.93	1.18	-10.74	-8.60	-23.72	17.63	-13.82	5.77	11.37	-32.86	-33.06	-14.08	6.07	-54.85	-59.30
FTSE NAREIT Equity REITs	4.57	8.87	8.87	37.78	9.45	5.33	7.68	8.56	-8.00	26.00	-4.62	5.23	8.52	3.20	30.14	31.12	29.67	67.84	127.40
FTSE NAREIT All REITs	5.43	8.48	8.48	36.94	10.35	7.19	8.71	9.27	-5.86	28.07	-4.10	9.27	9.28	2.29	27.15	34.38	41.48	79.41	142.63
HFRX Global Hedge Fund	-0.06	1.29	1.29	16.15	3.46	3.95	1.74	1.36	6.81	8.62	-6.72	5.99	2.50	-3.64	-0.58	10.75	21.37	12.85	14.41
HFRX Equity Hedge	0.87	2.65	2.65	23.88	2.10	4.08	2.14	1.34	4.60	10.71	-9.42	9.98	0.10	-2.33	1.42	6.43	22.12	15.97	14.19
HFRX Event Driven	-0.24	1.71	1.71	17.21	4.16	5.19	1.43	2.44	8.89	9.96	-11.68	6.48	11.08	-6.94	-4.06	12.99	28.81	10.49	27.28
HFRX Absolute Return	0.26	0.65	0.65	9.75	2.30	2.29	1.88	1.46	2.72	4.37	-0.49	3.39	0.31	2.86	0.79	7.05	11.99	13.94	15.55
HFRX Macro/CTA	-0.18	0.52	0.52	6.09	2.77	1.12	1.41	-0.05	4.29	4.84	-3.25	2.51	-2.93	-1.96	5.24	8.55	5.74	10.33	-0.50



# Development Authority of the North Country

Report to the Audit Committee

June 17, 2021

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## Section:

1. Review of Audit Results
2. Required Communications Letter
3. Draft Financial Statements
4. Draft Communication of Matters Related to Internal Control Over Financial Reporting
5. Draft Regional Waterline Agreed-Upon Procedures Report
6. Draft Investment Compliance Report



# THE BONADIO GROUP

CPAs, Consultants & More

## Development Authority of the North Country

Audit Committee Meeting – June 17, 2021

# Part A

## **Audit of the Financial Statements as of and for the year ended March 31, 2021**

# Board of Directors Summary

- The purpose of the meeting is to assist the Board in its governance responsibilities with respect to fiscal oversight.
- Pending your acceptance of these financial statements, we plan on issuing an unmodified (clean) opinion.
- In conjunction with the performance of our audit procedures, we did not identify any material weaknesses in internal controls.
- The books and records were maintained in a clear and orderly fashion that allowed us to complete our audit in an expeditious manner.

# Required Communications

- No new accounting policies were adopted during the year.
- Significant estimates are reasonable and conservative. The financial statement disclosures are neutral and clear.
- We encountered no difficulties during the performance of our audits.
- We had no disagreements with management over a financial reporting or audit matter.
- We are pleased to report there were no corrected or uncorrected misstatements in connection with our current year audits.

# Management Considerations

- We did not identify any internal control deficiencies or material weaknesses during the course of our audit process.
- There were no “Audit Adjustments” required that related to errors or omissions by the Authority accounting personnel.
- Upcoming accounting pronouncements to be considered by the Authority:
  - GASB Statement No. 89, *Accounting for Interest Cost incurred before the End of a Construction Period*
  - GASB Statement No. 93, *Replacement of Interbank Offered Rates*
  - GASB Statement No. 87, *Leases*

# Key Financial Highlights

- Materials Management Facility revenues decreased \$567 Thousand or 6.2%. The decrease was the result of a decrease in tonnage received at the facility from approximately 227,000 tons in 2020 to 207,000 tons in 2021.
- Water Quality operations revenue increased \$343 Thousand due to an increase in customer billings attributed to additional projects in 2021.
- Engineering revenue (customer billings) decreased \$293 Thousand or 20.3% due to less initiatives undertaken with the COVID-19 pandemic. Many projects were either delayed or on hold for a substantial part of the year.
- Grants from government sources decreased \$1.3 Million or 54.0%. The decrease is due to minimal new loans closed on in 2021, compared to several significant grants closed on in 2020 within the Community Development Loan Fund.

# Key Financial Highlights

## (Continued)

- Depreciation and amortization expenses decreased by 6.5% to approximately \$7.7 Million as cells 10 and 11 became fully depreciated in the prior year, offset by several projects in Telecommunications and Water Quality operations placed into service at prior year end.
- Salaries and fringe benefits increased by \$1.2 Million or 13.4% mainly due to the NYSLRS liability increase in 2021. The overall pension expense adjustment of \$1 Million was allocated between the different departments, effecting benefit expense.
- Wastewater treatment expense decreased by \$29 Thousand or 2.3% primarily due to a decrease in the number of gallons of wastewater treated by City of Watertown.
- Community benefits expense decreased by \$38 Thousand or 4.4% related to the decrease in tonnage received at the Materials Management Facility.
- Operating and maintenance expenses decreased \$117 Thousand or 2.3% due mainly to a \$56 Thousand reduction in fuel costs at the Materials Management Facility.
- General and administrative costs increased by \$185 Thousand or 9.3% due to \$147 Thousand increase in pension expense due to the NYSLRS liability adjustment and \$72 Thousand increase in consulting due to expensing cost incurred for office building relocation review.
- Closure and post-closure costs decreased by \$128 Thousand or 15.1% related to the decrease in tonnage.

# Current Accounting Developments

- GASB Statement No. 89, *Accounting for Interest Cost incurred before the End of a Construction Period*.
  - Effective for fiscal year ended March 31, 2022.
  - This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

# Current Accounting Developments

- GASB Statement No. 93, *Replacement of Interbank Offered Rates*
  - Effective for fiscal year ended March 31, 2022.
  - This Statement ends the use of LIBOR as a benchmark rate
  - Clarifying the definition of *reference rate*, as it is used in Statement 53, as amended

# Current Accounting Developments

- GASB Statement No. 87, *Leases*.
  - Effective for fiscal year ended March 31, 2023.
  - This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
  - Anticipate some changes to the current reporting.

## Part B

**Audit of the Schedule of Expenditures of Federal Awards and on Compliance as of and for the year ended March 31, 2021**

# Yellow Book/Uniform Guidance Audit

We anticipate issuing reports as follows:

- No material weaknesses related to the audit of the financial statements were reported.
- No instances of noncompliance material to the financial statements of the Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- No material weaknesses related to the audit of the major federal award programs were reported.
- The Independent Auditor's Report on Compliance For Each Major Federal Award Program and on Internal Control Over Compliance Required by the Uniform Guidance for the Authority expressed an unmodified opinion.
- There were no findings and questioned costs.

# Part C

**Agreed Upon Procedures and  
Investment Compliance for the  
year ended March 31, 2021**

# Audit Results for AUP and Investment Compliance

- Regional Waterline Agreed Upon Procedures
  - We performed procedures agreed upon with the Authority’s management on the regional waterline.
  - No findings were noted in performing these procedures.
- Investment Compliance Report
  - We reviewed the Authority’s compliance with its investment policy as well as the State Comptroller’s Investment Guidelines for Public Authorities.
  - We found the Authority to be in compliance.

June 2021

To the Board of Directors of  
Development Authority of the North Country:

We have audited the financial statements of Development Authority of the North Country (the Authority) for the year ended March 31, 2021. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *1. Qualitative Aspects of Accounting Practices*

- a. Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. During the year ended March 31, 2021, the Authority adopted the following accounting policy:

**There were no new accounting policies adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.**

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## Significant Audit Findings (Continued)

### 1. Qualitative Aspects of Accounting Practices (Continued)

b. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Postretirement benefits liability
- Landfill closure and post-closure care liability
- Asset lives for depreciable fixed assets
- Allowance for doubtful loans receivable

**We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.**

### 2. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

**There were no uncorrected or corrected misstatements noted during our audit. The following entries were booked in connection with the current year audit:**

<b>Unadjusted change in net assets</b>	<b>\$(4,180,747)</b>
<b>Client adjustment to reconcile ALS and AWL revenue</b>	<b>(40,074)</b>
<b>Client adjustment to recognize loan revenue</b>	<b><u>228,800</u></b>

<b>Adjusted change in net assets</b>	<b><u>\$ (3,992,021)</u></b>
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### 3. Difficulties Encountered in Performing the Audit

The auditor is required to communicate any serious difficulties encountered in dealing with management related to the performance of the audit.

**We encountered no difficulties in dealing with management in performing and completing our audit.**

### 4. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the financial statements or the auditor's report.

**We are pleased to report that no such disagreements arose during the course of our audit.**

5. *Management Representations*

The auditor is required to obtain certain representation from management.

**We requested certain representations from management to us which are included in the management representation letter.**

6. *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

**To our knowledge, there were no such consultations with other accountants.**

7. *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors.

**However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.**

8. *Other Matters*

We applied certain limited procedures to the management’s discussion and analysis, schedules of contributions and proportionate share of the net pension liability (asset) and the schedule of changes in total OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, the supplemental schedule of revenue, expenses, and change in net position by department and the schedule of North Country Economic Development Fund Activity, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America and Uniform Guidance, and that the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

8. *Restricted Use*

This information is intended solely for the use of the board of directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

**DEVELOPMENT AUTHORITY OF  
THE NORTH COUNTRY**

**Financial Statements as of  
March 31, 2021  
Together with  
Independent Auditor's Report  
and Single Audit Reports**

**Bonadio & Co., LLP**  
Certified Public Accountants

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

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## INDEPENDENT AUDITOR'S REPORT

June XX, 2021

To the Board of Directors of the  
Development Authority of the North Country:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Development Authority of the North Country (the Authority) (a public benefit corporation of the State of New York) as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of March 31, 2021, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### **Other Matters**

#### **Report on Summarized Comparative Information**

We have previously audited the Authority's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of contributions, proportionate share of the net pension liability (asset) and changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental schedule of revenue, expenses, and change in net position by department and the schedule of North Country Economic Development Fund activity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards, schedule of revenue, expenses and change in net position by department, and the schedule of North Country Economic Development Fund activity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the schedule of revenue, expenses, and change in net position by department, and the schedule of North Country Economic Development Fund activity are fairly stated in all material respects in relation to the basic financial statements as a whole.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June XX, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) MARCH 31, 2021

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The Development Authority of the North Country (the Authority) is a New York State public authority that serves the common interests of Jefferson, Lewis and St. Lawrence Counties by providing technical services and infrastructure, which will enhance economic opportunities in the region and promote the health and well-being of its communities.

As its mission states, the Authority is committed to environmental stewardship, fiscal integrity, and partnerships. To achieve these objectives, the Authority works with its municipal partners through shared service solutions utilizing advanced technology and fostering municipal cooperation to achieve cost-effective services for the region. Services provided include water, wastewater, materials management, telecommunications, engineering, and loans to businesses.

The Authority's Water Quality Division operates and maintains approximately 45 miles of water and sewer pipelines and associated pumping stations, with a two-mile nature trail located along the pipelines. These facilities serve Fort Drum and Western Jefferson County, and are linked to the City of Watertown water and sewer treatment facilities and the Village of Cape Vincent water treatment facility. The Authority's water and wastewater staff also provides contract operations and maintenance services to various towns and villages in Jefferson, Lewis, and St. Lawrence Counties.

The Materials Management Facility provides an environmentally responsible solution for waste disposal in our region. The Authority continuously looks for innovative ways to efficiently operate the facility and maintain this asset for future generations. The Authority partnered with an energy company to create a gas-to-energy plant that converts methane, a by-product of waste, into electricity using four 1.6-megawatt generators. The electricity generated is equivalent to powering over 4,300 homes.

The Authority's telecommunications network plays a vital role in supporting public institutions and rural businesses. Prior to constructing our carrier-class telecommunications network, many communities in the North Country were severely underserved by high-speed internet and other advanced telecommunications services. Today, the Authority supports telecom providers, healthcare and educational institutions, government and industry in the region with state-of-the-art telecommunications technology.

The Authority supports economic development and works to improve the economic viability and well-being of the North Country by forming strong partnerships with local, state, and federal organizations to promote business and housing development throughout the region. The Authority administers several loan programs to promote job creation and retention among small businesses. The Authority also provides funding for the development of quality, affordable housing in Jefferson, Lewis, and St. Lawrence Counties through its housing programs.

The Authority's Engineering Division provides comprehensive geographic information systems (GIS) development, supervisory control and data acquisition (SCADA) services, engineering and technical assistance to communities in the North Country.

The financial statements of the Authority include the Statement of Net Position; the Statement of Revenue, Expenses and Change in Net Position; and the Statement of Cash Flows, and related notes to the financial statements. The Statement of Net Position provides information about the nature and the amounts of investments and resources (assets) and the obligations to the Authority's creditors (liabilities), with the difference between the two reported as net position.

The Statement of Revenue, Expenses and Change in Net Position, or the income statement, shows how the Authority's net position changed during the year. It accounts for all the year's revenues and expenses, measures the financial results of the Authority's operations for the year and can be used to determine how the Authority has funded its costs.

The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operating, capital and related financing, and investing activities.

The notes to the financial statements contain information that is essential to the understanding of the financial statements, such as the Authority's accounting methods and policies.

Management provides the following discussion and analysis (MD&A) of the Authority's financial position and activities. This overview is provided for the fiscal year ended March 31, 2021. The information contained in this analysis should be used by the reader in conjunction with the information contained in our audited financial statements and the notes to those financial statements, all of which follow this narrative on the subsequent pages.

### **Financial Highlights**

- As of March 31, 2021, the assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows by \$165.6 Million. Of this amount, \$7.3 Million is unrestricted and undesignated and may be used to meet the Authority's ongoing obligations.
- The Authority's total revenues (operating and non-operating) were \$24.8 Million and \$29.1 Million in 2021 and 2020, respectively.
- The Authority's total expenses (operating and non-operating) were \$28.8 Million and \$28.3 Million in 2021 and 2020, respectively.

### **Overview of the Financial Statements**

This annual report consists of a series of two parts, management's discussion and analysis (this section) and the financial statements. The 'Statement of Net Position' and the 'Statement of Revenue, Expenses and Change in Net Position' (on pages 13 and 14, respectively), and footnotes provide both long-term and short-term information about the Authority's overall financial status.

### **Financial Statements**

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB). The Authority is a multi-purpose entity and revenues are recognized when earned, not received. Expenses are recognized when incurred, not when they are paid.

### **Budget vs. Actual**

The operations of the Authority remain stable with variations between budgets and actual considered minimal. The Authority is not aware of any circumstances or situations that would significantly impair its ability to operate its facilities as a going concern.

## Summary of Operations and Change in Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
Operating revenue	\$ 24,166,486	\$ 26,277,512	\$ (2,111,026)	-8.0%
Operating expenses	<u>(28,180,091)</u>	<u>(27,628,491)</u>	<u>551,600</u>	2.0%
Operating loss	(4,013,605)	(1,350,979)	(2,662,626)	197.1%
Non-operating revenue, net	<u>21,584</u>	<u>2,136,895</u>	<u>(2,115,311)</u>	-99.0%
Change in net position	<u>\$ (3,992,021)</u>	<u>\$ 785,916</u>	<u>\$ (4,777,937)</u>	-607.9%

- Operating revenues decreased \$2.1 Million during 2021. The decrease in revenues are primarily attributable to the following:
  - Customer Billings within Materials Management decreased \$566 Thousand due to a shortfall of 19,662 in projected tons.
  - Waste Diversion revenue of \$716 Thousand was unrealized, as the activity was directly invoiced by the vendor to the corresponding counties. An offset expense was also unrealized.
  - Grant revenue decreased \$1.3 Million due to minimal new loans closed on in 2021, compared to several significant grants closed on in 2020 within the Community Development Loan Fund.
- Operating expenses increased \$552 Thousand during 2021. The increase in expenses are primarily attributable to the following:
  - Pension expense increased \$961 Thousand due to an increase in the NYSLRS Liability in 2021. An overall pension adjustment of \$1 Million was allocated between the different departments. The \$1 Million pension adjustment was made pursuant to GASB 68 and does not affect cash.
  - Grant expense increased \$431 Thousand mainly due to a \$1 Million grant paid back to Jefferson County per the existing agreement.
- The decrease in net non-operating revenue of \$2.1 Million is primarily due to a decrease in interest income as interest rate yields have decreased on Authority held investments. No new bonds were issued in 2021.

## Financial Position Summary

Net position is an indication of the Authority's financial strength. A summary of the Authority's net position is shown below.

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current assets	\$ 9,354,516	\$ 9,845,456	\$ (490,940)	-5.0%
Loans receivable, net	33,436,063	35,679,849	(2,243,786)	-6.3%
Investments	28,935,376	28,867,100	68,276	0.2%
Funds held by trustee	798,344	12,812,620	(12,014,276)	-93.8%
Other postemployment benefit reserve fund	5,623,421	5,479,083	144,338	2.6%
Restricted assets	70,903,951	72,793,330	(1,889,379)	-2.6%
Capital assets, net	<u>83,774,241</u>	<u>72,559,395</u>	<u>11,214,846</u>	15.5%
<b>Total assets</b>	<u>\$ 232,825,912</u>	<u>\$ 238,036,833</u>	<u>\$ (5,210,921)</u>	<u>-2.2%</u>
<b>DEFERRED OUTFLOWS</b>	<u>\$ 4,173,658</u>	<u>\$ 1,587,159</u>	<u>\$ 2,586,499</u>	<u>163.0%</u>
<b>Liabilities:</b>				
Current liabilities	\$ 5,934,095	\$ 5,086,073	\$ 848,022	16.7%
Other liabilities (long-term)	<u>64,466,734</u>	<u>64,419,509</u>	<u>47,225</u>	<u>0.1%</u>
<b>Total liabilities</b>	<u>\$ 70,400,829</u>	<u>\$ 69,505,582</u>	<u>\$ 895,247</u>	<u>1.3%</u>
<b>DEFERRED INFLOWS</b>	<u>\$ 1,014,474</u>	<u>\$ 542,122</u>	<u>\$ 472,352</u>	<u>87.1%</u>
<b>Net Position:</b>				
Invested in capital assets, net of related debt	\$ 63,132,501	\$ 63,417,964	\$ (285,463)	-0.5%
Restricted	67,322,582	67,981,385	(658,803)	-1.0%
Unrestricted	<u>35,129,184</u>	<u>38,176,939</u>	<u>(3,047,755)</u>	<u>-8.0%</u>
<b>Total net assets</b>	<u>\$ 165,584,267</u>	<u>\$ 169,576,288</u>	<u>\$ (3,992,021)</u>	<u>-2.4%</u>

- Loans receivable, net decreased \$2.2 Million primarily due to the following:
  - Loan from St Lawrence IDA in the amount of \$750,000 that was repaid in 2021 related to the DANC Economic Development Fund.
  - Decrease of \$1.2 Million related to the Affordable Housing program and a \$479 Thousand decrease related to the North Country Economic Development Loan Fund both attributed to no new loans issued in 2021 and continued paydown of debt.
- Funds held by trustee decreased \$12.0 Million as 2019 bond funds were moved to Capital Reserves.
- Capital assets, net increase of \$11.2 Million mainly attributed to the southern expansion

### Financial Position Summary (Continued)

As a provider of essential services, the Authority has a significant investment in infrastructure. The Authority's infrastructure includes: 1) approximately 45 miles of water and wastewater transmission pipelines and associated pumping stations servicing Fort Drum and North Country Communities, 2) a Materials Management Facility located in Rodman, New York, and 3) a state-of-the-art telecommunications network. The Authority's net assets also include funds available to pay for ongoing and future construction of replacements and/or additions to this infrastructure.

At March 31, 2021, the board of directors designated the Authority's unrestricted net position for the following uses:

Administrative reserve / supplemental insurance	\$	4,000,000
Infrastructure development		223,107
Capital reserves		9,063,946
Materials Management - tip fee stabilization, and landfill gas reserves		6,063,156
Economic development fund		5,486,722
Affordable housing		<u>3,000,000</u>
	\$	<u>27,836,931</u>

### Revenue

The Authority sets its rates annually concurrent with the adoption of its annual operating budget.

The Materials Management Facility revenue is derived from tipping fees. The per ton tipping fee charged to customers includes certain amounts to fund replacement of major equipment, closure of the landfill and post-closure care.

Rates for telecommunications network services are authorized by the Authority's Board of Directors and filed with the New York State Public Service Commission.

Rates for water quality services are reviewed and adjusted annually based on projected operating costs.

Rates for engineering services are based on the requirements of the project being performed.

Grants from government sources include payments made to the Authority by New York State and Federal sources.

## Summary of Operating Revenue

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
Service and usage revenue:				
Materials Management Facility	\$ 8,526,460	\$ 9,093,189	\$ (566,729)	-6.2%
Water Quality operations	5,424,945	5,081,903	343,042	6.8%
Telecommunications network	6,275,593	6,445,131	(169,538)	-2.6%
Housing and economic development	141,017	145,500	(4,483)	-3.1%
Engineering	<u>1,151,971</u>	<u>1,444,831</u>	<u>(292,860)</u>	-20.3%
Total service and usage revenue	21,519,986	22,210,554	(690,568)	-3.1%
Grants from government sources	1,110,679	2,413,110	(1,302,431)	-54.0%
Interest received from outstanding loans	478,172	635,972	(157,800)	-24.8%
Miscellaneous operating revenue	<u>1,057,649</u>	<u>1,017,876</u>	<u>39,773</u>	<u>3.9%</u>
Total operating revenue	<u>\$ 24,166,486</u>	<u>\$ 26,277,512</u>	<u>\$ (2,111,026)</u>	<u>-8.0%</u>

- Materials Management Facility revenues decreased \$567 Thousand or 6.2%. The decrease was the result of a decrease in tonnage received at the facility from approximately 227,000 tons in 2020 to 207,000 tons in 2021.
- Water Quality operations revenue increased \$343 Thousand due to an increase in customer billings attributed to additional projects in 2021.
- Engineering revenue (customer billings) decreased \$293 Thousand or 20.3% due to less initiatives undertaken with the COVID-19 pandemic. Many projects were either delayed or on hold for a substantial part of the year.
- Grants from government sources decreased \$1.3 Million or 54.0%. The decrease is due to minimal new loans closed on in 2021, compared to several significant grants closed on in 2020 within the Community Development Loan Fund.

### Summary of Operating Expenses

The Authority's expenses are budgeted and tracked functionally by operating department. The Authority is functionally divided into the following departments: Materials Management, Water Quality, Telecommunications Network, Housing and Economic Development, Engineering, and Administration.

The following is a breakdown of the Authority's expenses by operating department:

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
Functional expenses:				
Materials Management				
facility	\$ 10,681,563	\$ 11,276,600	\$ (595,037)	-5.3%
Water Quality	5,631,872	4,891,002	740,870	15.1%
Telecommunications network	8,279,626	7,693,048	586,578	7.6%
Housing and economic				
development	2,039,037	2,135,529	(96,492)	-4.5%
Engineering	1,195,679	1,393,965	(198,286)	-14.2%
Administration	<u>352,314</u>	<u>238,347</u>	<u>113,967</u>	<u>47.8%</u>
<b>Total functional expenses</b>	<b><u>\$ 28,180,091</u></b>	<b><u>\$ 27,628,491</u></b>	<b><u>\$ 551,600</u></b>	<b><u>2.0%</u></b>

- Materials Management Facility expenses decreased \$595 Thousand or 5.3%. The decrease is due to a number of factors:
  - \$128 Thousand decrease in bond issuance costs as no bonds were issued in 2021,
  - \$115 Thousand decrease in wastewater treatment expenses related to decrease in the number of gallons of wastewater treated by City of Watertown, and
  - \$833 Thousand decrease in depreciation costs as the liner for cells 10 and 11 became fully depreciated in the prior year.
- Water Quality expenses increased \$741 Thousand or 15.1% as a result of:
  - \$192 Thousand in depreciation as a result of upgrades to the valves,
  - \$80 Thousand in sewage treatment expenses, and
  - \$200 Thousand in pension expense mainly associated with NYSLRS Liability.
- Telecommunications expenses increased by \$587 Thousand or 7.6% as a result of:
  - \$206 Thousand in pension expense mainly associated with NYSLRS Liability and
  - \$108 Thousand in depreciation as a result of various projects placed in service right at prior years end.
- Housing and economic development expenses decreased \$96 Thousand or 4.5% primarily in bad debt expense. An allowance for doubtful accounts was established in FY2020 for loan receivables.
- Engineering expenditures decreased \$198 Thousand or 14.2% primarily in salaries which decreased \$118 Thousand.

### Summary of Operating Expenses (Continued)

The following is a breakdown of the Authority's total operating expenses by natural classification:

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
Operating expenses:				
Depreciation and amortization	\$ 7,732,197	\$ 8,266,325	\$ (534,128)	-6.5%
Salaries and fringe benefits	9,809,043	8,648,346	1,160,697	13.4%
Wastewater treatment	1,243,889	1,272,973	(29,084)	-2.3%
Community benefits	823,177	861,006	(37,829)	-4.4%
Water purchases	621,586	569,593	51,993	9.1%
Operating and maintenance	5,055,915	5,172,708	(116,793)	-2.3%
General and administrative	2,170,806	1,985,649	185,157	9.3%
Closure and post-closure costs	<u>723,478</u>	<u>851,891</u>	<u>(128,413)</u>	<u>-15.1%</u>
<b>Total operating expenses</b>	<b><u>\$ 28,180,091</u></b>	<b><u>\$ 27,628,491</u></b>	<b><u>\$ 551,600</u></b>	<b><u>2.0%</u></b>

- Depreciation and amortization expenses decreased by 6.5% to approximately \$7.7 Million as cells 10 and 11 became fully depreciated in the prior year, offset by several projects in Telecommunications and Water Quality operations placed into service at prior year end.
- Salaries and fringe benefits increased by \$1.2 Million or 13.4% mainly due to the NYSLRS liability increase in 2021. The overall pension expense adjustment of \$1 Million was allocated between the different departments, effecting benefit expense.
- Wastewater treatment expense decreased by \$29 Thousand or 2.3% primarily due to a decrease in the number of gallons of wastewater treated by City of Watertown.
- Community benefits expense decreased by \$38 Thousand or 4.4% related to the decrease in tonnage received at the Materials Management Facility.
- Operating and maintenance expenses decreased \$117 Thousand or 2.3% due mainly to a \$56 Thousand reduction in fuel costs at the Materials Management Facility.
- General and administrative costs increased by \$185 Thousand or 9.3% due to \$147 Thousand increase in pension expense due to the NYSLRS liability adjustment and \$72 Thousand increase in consulting due to expensing cost incurred for office building relocation review.
- Closure and post-closure costs decreased by \$128 Thousand or 15.1% related to the decrease in tonnage.

### Non-Operating Revenue (Expense)

The Authority's non-operating revenue (expense) is composed of the following:

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
Non-operating revenue (expense):				
Investment income	\$ 599,600	\$ 2,702,220	\$ (2,102,620)	-77.8%
Gain on sale of capital assets	81,466	81,291	\$ 175	0.2%
Bond issuance costs	-	(128,848)	128,848	-100.0%
Interest expense	<u>(659,482)</u>	<u>(517,768)</u>	<u>(141,714)</u>	<u>27.4%</u>
<b>Total</b>	<b><u>\$ 21,584</u></b>	<b><u>\$ 2,136,895</u></b>	<b><u>\$ (2,115,311)</u></b>	<b><u>-99.0%</u></b>

- Investment income decreased \$2.1 Million or 77.8% as interest rate yields have decreased on Authority held investments.
- Bond issuance costs decreased as no new bonds were issued in 2021

### Postemployment Benefits

The Authority contributes to the cost of eligible retirees' individual health care premiums after 15 years of service, provided that the employee was employed at the Authority at the time of retirement. Employees hired after April 1, 2008 require 20 years of service. The Authority has recorded a liability for other postemployment benefits in the amount of \$4,950,122. The Authority has a board designated investment account in the amount of \$5,630,540 for other postemployment benefits.

### Capital Assets

At the end of 2021, the Authority had \$83,774,241 (net of accumulated depreciation) invested in a broad range of capital assets, including the Materials Management Facility, Telecommunications Network, Water Quality facilities, Engineering, equipment and vehicles. This amount represents an increase of \$11,214,846 or 15.5% over last year. The increase is mainly due to the Southern Expansion and Material Management Facility. The detail of capital asset activity and balances for the various categories is included in notes to the financial statements.

### Long-Term Debt Administration

As of March 31, 2021, the Authority has the following revenue bond series outstanding:

<u>Development Authority of the North Country Bond Series</u>	<u>Bonds Outstanding as of March 2021</u>	<u>Bonds Outstanding as of March 2020</u>	<u>Principal Due 2022</u>
Series 2015	\$ 7,275,000	\$ 7,540,000	\$ 270,000
Series 2019	<u>10,480,000</u>	<u>10,720,000</u>	<u>250,000</u>
Total	<u>\$ 17,755,000</u>	<u>\$ 18,260,000</u>	<u>\$ 520,000</u>

In addition to the bonds, the Authority had loans payable as of March 31, 2021 as follows:

<u>Loans, Contract and Capital Lease Payables</u>	<u>Outstanding as of March 2021</u>	<u>Outstanding as of March 2020</u>	<u>Principal Due 2022</u>
Loans payable	<u>\$ 3,093,246</u>	<u>\$ 3,537,588</u>	<u>\$ 113,323</u>

### Credit Ratings

The Authority is the recipient of a favorable credit rating from Standard & Poor's as a result of the 2019 Materials Management Bonds issued in fiscal year 2020. The Authority received a "AA-/Stable" outlook rating from Standard and Poor's in August 2019. The Authority issues revenue bonds subject to its Trust Indentures.

### Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or a request for additional information should be addressed in writing to the Chief Financial Officer at the Dulles State Office Building, 317 Washington Street, Watertown, New York 13601.

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY****STATEMENT OF NET POSITION  
FOR THE YEAR ENDED MARCH 31, 2021**  
(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,555,064	\$ 5,619,390
Accounts receivable, net	2,619,157	2,962,770
Accrued unbilled revenue	506,782	502,787
Interest receivable	113,990	178,708
Inventory	466	5,301
Prepaid expense and other current assets	<u>559,057</u>	<u>576,500</u>
Total current assets	9,354,516	9,845,456
LOANS RECEIVABLE, net	33,436,063	35,679,849
INVESTMENTS	28,935,376	28,867,100
FUNDS HELD BY TRUSTEE	798,344	12,812,620
OTHER POSTEMPLOYMENT BENEFITS RESERVE FUND	5,623,421	5,479,083
RESTRICTED ASSETS	70,903,951	72,793,330
CAPITAL ASSETS, net	<u>83,774,241</u>	<u>72,559,395</u>
Total assets	<u>232,825,912</u>	<u>238,036,833</u>
<b>DEFERRED OUTFLOWS</b>		
Other postemployment benefits	171,716	183,981
Pension	<u>4,001,942</u>	<u>1,403,178</u>
Total deferred outflows	<u>4,173,658</u>	<u>1,587,159</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts payable	2,577,443	1,945,663
Current portion of long-term debt	633,323	616,008
Accrued expenses	605,102	498,147
Interest payable	122,660	125,448
Current portion of unearned revenue	<u>1,995,567</u>	<u>1,900,807</u>
Total current liabilities	5,934,095	5,086,073
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND	10,479,115	10,412,025
DUE TO U.S. ARMY	749,985	749,985
UNEARNED REVENUE, net of current portion	5,700,908	5,538,166
NET PENSION LIABILITY	5,248,617	1,309,024
LANDFILL CLOSURE AND POST-CLOSURE CARE LIABILITY	15,815,480	18,432,664
TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY	4,950,122	5,433,204
LONG-TERM DEBT, net of current portion	<u>21,522,507</u>	<u>22,544,441</u>
Total liabilities	<u>70,400,829</u>	<u>69,505,582</u>
<b>DEFERRED INFLOWS</b>		
Other postemployment benefits	898,478	87,497
Pension	<u>115,996</u>	<u>454,625</u>
Total deferred outflows	<u>1,014,474</u>	<u>542,122</u>
<b>NET POSITION</b>		
Net investment in capital assets	63,132,501	63,417,964
Restricted	67,322,582	67,981,385
Unrestricted	<u>35,129,184</u>	<u>38,176,939</u>
Total net position	<u>\$ 165,584,267</u>	<u>\$ 169,576,288</u>

The accompanying notes are an integral part of these statements.

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

## STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET POSITION FOR THE YEAR ENDED MARCH 31, 2021

(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
OPERATING REVENUE:		
Customer billings	\$ 21,519,986	\$ 22,210,554
Grant revenue	1,110,679	2,413,110
Loan interest income	478,172	635,972
Other revenue	<u>1,057,649</u>	<u>1,017,876</u>
Total operating revenue	<u>24,166,486</u>	<u>26,277,512</u>
OPERATING EXPENSES:		
Depreciation and amortization	7,732,197	8,266,325
Salaries	6,223,254	5,951,184
Fringe benefits	3,585,789	2,697,162
Operation and maintenance	3,462,598	3,334,521
Wastewater treatment	1,243,889	1,272,973
Water purchases	621,586	569,593
Community benefits	823,177	861,006
Closure and post-closure costs	723,478	851,891
Grants	1,162,316	731,175
Office and administrative	427,718	447,032
Insurance	434,326	413,768
Automobile	322,998	318,917
Utilities	154,122	144,944
Materials and supplies	232,455	243,597
Professional fees	467,025	324,985
Computer	286,038	291,871
NYS administrative assessment	122,000	122,000
Repairs and maintenance	179,167	155,324
Bad debt	<u>(24,042)</u>	<u>630,223</u>
Total operating expenses	<u>28,180,091</u>	<u>27,628,491</u>
Total operating loss	<u>(4,013,605)</u>	<u>(1,350,979)</u>
NON-OPERATING REVENUE (EXPENSE):		
Investment income	599,600	2,702,220
Gain on sale of capital assets	81,466	81,291
Bond issuance costs	-	(128,848)
Interest expense	<u>(659,482)</u>	<u>(517,768)</u>
Total non-operating revenue, net	<u>21,584</u>	<u>2,136,895</u>
CHANGE IN NET POSITION	<u>\$ (3,992,021)</u>	<u>\$ 785,916</u>
NET POSITION - beginning of year	<u>169,576,288</u>	<u>168,790,372</u>
NET POSITION - end of year	<u>\$ 165,584,267</u>	<u>\$ 169,576,288</u>

The accompanying notes are an integral part of these statements.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021 (With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 25,630,504	\$21,848,111
Receipts from grants	1,376,888	3,013,611
Cash payments to suppliers	(14,845,402)	(12,827,091)
Cash payments to employees	<u>(6,116,299)</u>	<u>(5,907,771)</u>
Net cash flow from operating activities	<u>6,045,691</u>	<u>6,126,860</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of capital assets	(19,026,122)	(13,591,466)
Proceeds from sale of capital assets	160,545	84,976
Proceeds from issuance of long-term debt	(55,277)	12,179,428
Payment of bond issuance costs	-	(128,848)
Payments on long-term debt	(949,342)	(763,783)
Interest paid	<u>(662,270)</u>	<u>(519,425)</u>
Net cash flow from capital and related financing activities	<u>(20,532,466)</u>	<u>(2,739,118)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Receipts of interest	913,361	1,973,989
Unrealized loss on investments	(249,043)	748,730
Net purchases of investments	(68,276)	11,246,408
Deposits into other postemployment benefit reserve fund	(144,338)	(759,813)
Net purchases of restricted assets	1,956,469	(6,725,800)
Change in funds held by trustee	<u>12,014,276</u>	<u>(11,541,658)</u>
Net cash flow from investing activities	<u>14,422,449</u>	<u>(5,058,144)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(64,326)</b>	<b>(1,670,402)</b>
CASH AND CASH EQUIVALENTS - beginning of year	<u>5,619,390</u>	<u>7,289,792</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 5,555,064</u>	<u>\$ 5,619,390</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Operating loss	\$ (4,013,605)	\$ (1,350,979)
Adjustments to reconcile operating income to net cash flow from operating activities:		
Depreciation and amortization	7,732,197	8,266,325
Bad debt expense	(24,042)	630,223
Change in Deferred outflows of resources	(2,586,499)	772,292
Change in Deferred inflows of resources	472,352	(1,406,318)
Landfill closure and post-closure care costs	(2,617,184)	791,570
Postemployment benefits expense	(483,082)	358,384
Change in:		
Accounts receivable	367,655	(409,794)
Accrued unbilled revenue	(3,995)	(97,873)
Loans receivable	2,243,786	(1,539,649)
Inventory	4,835	10,424
Prepaid expenses and other assets	17,443	(118,152)
Accounts payable and accrued expenses	738,735	(515,971)
Unearned revenue	257,502	1,303
Net pension liability	<u>3,939,593</u>	<u>735,075</u>
Net cash flow from operating activities	<u>\$ 6,045,691</u>	<u>\$ 6,126,860</u>

The accompanying notes are an integral part of these statements.

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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### 1. ORGANIZATION

The Development Authority of the North Country (the Authority) is a public benefit corporation organized under the Public Authorities Law of the State of New York. The Authority was created to provide infrastructure services and economic development in Jefferson, Lewis and St. Lawrence Counties of New York State. The infrastructure services provided by the Authority include water, wastewater, materials management and telecommunications. The Authority assists in the economic development of these counties by financing housing and business development projects.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

#### **Basis of Presentation**

GASB requires the classification of net position into three components – net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of amounts that have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - This component of net position consists of amounts that do not meet the definition of "net investment in capital assets" or "restricted." Unrestricted net position may be designated for specific purposes by actions of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

#### **Comparative Financial Statements**

The financial statements include certain prior year summarized comparative information in total but not in the same detail used for current year presentation. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended March 31, 2020, from which the summarized information was derived.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Reclassifications**

Certain reclassifications have been made to the 2020 financial statements to conform to the current year presentation.

### **Risks and Uncertainties**

The United States is presently in the midst of a national health emergency related to a disease (COVID-19) caused by a virus, commonly known as Novel Coronavirus. The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

### **Cash and Cash Equivalents**

For purposes of presenting the statement of cash flows, the Authority considers all highly liquid short-term investments (money market funds) with maturities of three months or less from the date of purchase to be cash or cash equivalents. These money market funds are stated at cost which approximates fair value.

### **Accounts Receivable**

Accounts receivable consists primarily of amounts due from customers for services provided. Management records an allowance for doubtful accounts based on past collection experience and an analysis of outstanding amounts.

### **Accrued Unbilled Revenues**

Accrued unbilled revenues represents revenue earned in the current year but not billed to customers until future dates, usually within three months.

### **Loans Receivable**

Loans receivable consist primarily of amounts loaned to businesses in Northern New York in order to enhance economic development, create housing and encourage job creation and retention. Loans are stated at unpaid principal balances, less the allowance for loan losses. Loans are collateralized by related property, plant and equipment. Interest income is accrued on the unpaid balance. Interest rates charged to outstanding loans range from 0% to 6.25% and are due at various dates through August 2048.

### **Allowance for Loan Losses**

The allowance for loan losses is maintained at a level which, in management's judgment, is adequate to absorb credit losses inherent in the loan portfolio. The amount of the allowance is based on past collection experience and an analysis of outstanding amounts. The allowance is increased by a provision for loan losses, which is charged to expense, and reduced by charge-offs, net of recoveries. Changes in the allowance relating to impaired loans are charged to the provision for loan losses. An allowance for loan losses of \$381,373 was considered necessary at March 31, 2021.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary because of uncertainties associated with local economic conditions and future cash flows on impaired loans.

### **Investments**

Investments consist of certificates of deposit, and U.S. and other government obligations with maturities extending beyond a three-month period from the date of purchase. The Authority reports certificates of deposit at cost, which approximates fair value, and U.S. and other government obligations at fair value based on quoted market prices.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Funds Held by Trustee**

Funds held by Bank of New York (the Trustee), as required by bond agreements, consist of certificates of deposit, U.S. and other government obligations, and money market funds. The Authority reports certificates of deposit and money market funds at cost and U.S. and other government obligations at fair value based on quoted market prices.

### **Other Postemployment Benefits Reserve Fund**

Funds held for other postemployment benefits consist of certificates of deposit, U.S. Government obligations and money market funds. The Authority reports certificates of deposit at cost and U.S. Government obligations at fair value based on quoted market prices. Currently, New York State does not have legislation enabling the establishment of a separate trust to hold these funds. Until such enabling legislation is enacted, these funds will be reflected as unrestricted on the accompanying Statement of Net Position.

### **Unamortized Bond Discount and Premium**

The unamortized bond discount associated with the Series 2015 bonds is recognized as interest expense on a straight-line basis over the term of the related debt. The unamortized bond premium associated with the Series 2019 bonds is recognized as interest revenue on a straight-line basis over the term of the related debt.

### **Capital Assets**

Capital assets are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the capital assets, which range from three (3) to fifty (50) years. The Authority capitalizes all expenditures for capital assets in excess of \$10,000 and which have useful lives greater than one year. When assets are retired or otherwise disposed of, the related asset and accumulated depreciation is written off and any unrelated gains or losses are recorded.

### **Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

### **Unearned Revenue**

Cash collected in advance of service provision is recorded as unearned revenue and is recognized as revenue in the period in which it is earned.

### **Landfill Closure and Post-Closure Care Liability**

The Authority records landfill closure and post-closure care costs as an operating expense based on the landfill capacity used as of the Statement of Net Position date and the current estimated costs for closure and post-closure care.

### **Other Postemployment Benefits**

The Authority provides certain health care benefits to its retired employees in accordance with the provisions of the personnel policy.

### **Revenue Recognition**

Revenue from sales of services are recognized at the time of service delivery based on actual or estimated rates. Revenue from grant agreements is recognized when earned.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Operating and Non-Operating Revenues and Expenses

Operating revenue consists of sales of services performed and other related revenue. The Authority defines non-operating revenue as interest earnings on investment assets and realized/unrealized gains or losses on sales of investments. Non-operating expenditures include interest expense on long-term debt, bond issuance costs, bond premium, bond discount and gains/losses on disposals of capital assets and other items outside of operations.

### Income Tax Status

As a public benefit corporation, the Authority is exempt from federal and state income taxes, as well as state and local property and sales taxes.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## 3. NET POSITION

### Restricted Net Position

The Authority maintains the following in restricted net position as of March 31, 2021:

Community rental housing program	\$ 13,253,803
Community development loan fund	8,582,165
Affordable housing program	22,681,751
Army water and sewer line reserves	1,800,000
Regional waterline operating and debt service reserves	532,058
Wetlands mitigation	1,312,332
Reserve for liner expansion and replacement	12,359,374
Reserve for open access telecommunication networks	<u>6,801,099</u>
Total restricted net position	<u>\$ 67,322,582</u>

### Unrestricted

Unrestricted net position consists of Board designated net position and undesignated net position. Board designated net position represents amounts specified by the Authority's Board for a particular use. The Board has the authority to release these funds for other purposes.

The Authority maintains the following in unrestricted net position as of March 31, 2021:

Board designated net position:	
Administrative reserve / supplemental insurance	\$ 4,000,000
Infrastructure development	223,107
Capital reserves	9,063,946
Materials Management - tip fee stabilization, recycling and landfill gas reserves	6,063,156
Economic development fund	5,486,722
Affordable housing	<u>3,000,000</u>
	27,836,931
Undesignated net position	<u>7,292,253</u>
Total unrestricted net position	<u>\$ 35,129,184</u>

#### **4. CONTRACTUAL AGREEMENTS**

##### **Materials Management Agreement**

The Authority entered into an agreement with the City of Watertown (the City) and Jefferson, Lewis and St. Lawrence Counties (collectively, the Municipalities) to construct and operate a Materials Management Facility. Each year, the Authority submits its actual amounts of capital, operating, maintenance and overhead costs and revenues to the Municipalities. A deficit in any year requires an adjustment charge to each municipality for its percentage of usage during the year with the deficit. Since inception of the Materials Management Facility, the Authority has not reported a deficit requiring an adjustment charge. This agreement expires on the date the Authority's obligations for the facility are fully discharged.

##### **Host Community Agreement**

In 1993, the Authority entered into an agreement with the Town of Rodman (the Town) to locate a Materials Management Facility within the Town. This agreement requires the Authority to pay a quarterly fee, which is adjusted each year by the consumer price index, on a per-ton of waste received basis. The agreement also requires a minimum host community fee of \$50,000 for each year the Materials Management Facility is in actual operation. This agreement was revised in fiscal year 2011. Under the terms of the revised agreement, the Town receives a 75% reduction in tipping fees. Additionally, the Authority pays the Town 50% of the first \$100,000 of the proceeds from the sale of energy at the gas-to-energy plant, 25% of the next \$100,000 of proceeds and 10% thereafter. Host community benefits expense was \$719,411 in 2021.

##### **Gas-to-Energy Plant Agreement**

In fiscal year 2009, the Authority entered into a lease agreement with a Company for the construction and operation of a gas-to-energy plant at the Materials Management Facility. The Company constructed the plant and installed the necessary equipment on the Authority's property in order to convert the methane gas produced by the Materials Management Facility into energy. The title for the plant was transferred to the Authority. The Authority entered into a direct financing lease with the Company for the plant and equipment for \$1 per year plus 50% of revenues derived from the energy created for a period of 20 years. As this lease is a direct financing lease, the related assets are not included in the Authority's financial statements at year-end. This lease includes two five-year renewal options and a \$1 purchase agreement for the equipment at the end of the lease. The contingent rental benefits related to this agreement amounted to \$525,681 in 2021, and are recorded in other revenue on the accompanying statement of revenue, expenses and change in net position.

##### **Water Agreement**

The Authority and the U.S. Army (the Army) entered into a water supply agreement in 1990. The City is also a party to this agreement as it provides the water to the Authority for transport to the Army. Under the terms of this agreement, the Army is entitled to use the Authority's water line at a rate that is established annually based on the combined annual capital, overhead, and operating and maintenance costs of the Authority and the City.

The agreement requires the Authority to hold a repair reserve of \$900,000. The use of these funds requires permission from the Army and has been recorded in the accompanying financial statements as restricted net position.

#### 4. CONTRACTUAL AGREEMENTS (Continued)

##### **Wastewater Agreement**

The Authority and the Army entered into a wastewater service agreement in 1986. The City is also a party to this agreement as it provides the sewage treatment services. Under the terms of this agreement, the Army is entitled to use the Authority's wastewater line at a rate that is established annually based on the combined annual capital, overhead, and operating and maintenance costs of the Authority and the City.

The agreement requires the Authority to hold a repair reserve of \$900,000. The use of these funds requires permission from the Army and has been recorded in the accompanying financial statements in restricted net position. Additionally, an administrative support advance of \$749,985 was received from the Army. These monies are to be credited against the last two months service invoices prior to the termination of the agreement and have been recorded in the accompanying financial statements as a liability to the Army.

##### **Project Development Agreement**

In 2015, the Authority entered into a Project Development Agreement with the Town of Watertown (Watertown), Jefferson County and the Watertown City School District (the School District), whereby the Authority will make ten annual payments to Jefferson County and the School District from certain Community Rental Housing Program interest proceeds. If the applicable interest is not collected, no payments are required. The agreement does not provide for any payments to Watertown. The payments under the terms of this agreement to Jefferson County and the School District are contingent upon payment being received from the borrower. Due to the contingent nature of this agreement, no liability has been recorded in the accompanying Statement of Net Position.

#### 5. ACCOUNTS RECEIVABLE

Accounts receivable are due within one year and consisted of the following at March 31, 2021:

Materials Management Facility	\$	930,036
Water Quality		230,100
Telecommunications network		1,101,065
Engineering		59,619
Other		<u>353,416</u>
		2,674,236
Less: Allowance for doubtful accounts		<u>(55,079)</u>
	\$	<u><u>2,619,157</u></u>

## 6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The investment guidelines established by the Authority permit the investment of funds held by the Authority and funds held in trust for the Authority to be invested in accordance with New York State Public Authorities Law. Investments must be in the form of obligations of the State of New York, obligations of the United States or its agencies whose principal and interest payments are fully guaranteed by the federal government; and in collateralized time deposits or certificates of deposit issued by a commercial bank or trust company, which is a member of the Federal Deposit Insurance Corporation (FDIC). The Authority's investment policy limits its deposit and investment activity to time deposits, demand deposits, certificates of deposit, State of New York Government obligations, United States Government obligations and repurchase agreements.

The Authority's investment policy requires its deposits and investments, not controlled by the Trustee, to be collateralized through federal deposit insurance or other obligations. Obligations that may be pledged as collateral are obligations of, or guaranteed by, the United States of America or the State of New York. Collateral must be delivered to the Authority or an authorized custodial bank.

Total deposits of cash and cash equivalents not controlled by the Trustee (including certificates of deposit and money market funds) are as follows at March 31, 2021:

Demand deposits	\$ 5,989,004
Time deposits	<u>1,560,497</u>
	<u>\$ 7,549,501</u>

### **Custodial Credit Risk**

For cash deposits or investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the Authority's investment policy, an investment of funds may be less than fully secured in the event that any one of the following occurs: the yield on the investment outweighs the risk, it involves an investment of less than \$25,000, it is an investment with a duration of less than a week or it is not a customary practice that the investment be fully secured.

All investments were fully secured at March 31, 2021. Total investments by type are as follows at March 31, 2021:

Money Market	\$ 11,918,954
United States Treasury obligations/Government agencies	4,631,733
Certificates of deposit	<u>12,384,689</u>
	<u>\$ 28,935,376</u>

## 6. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

### Fair Value

United States Treasury obligations/Government agencies are considered Level 1 investments. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority has the following fair value measurements as of March 31, 2021:

- U.S. Treasury obligations/government agencies are valued using quoted market prices (Level 1 inputs).

### Custodial Credit Risk - Deposits

At March 31, 2021, the carrying amounts of the Authority's cash and cash equivalents held in time deposit accounts was \$5,555,064 and the amount of restricted assets held in time deposit accounts was 14,323,539 and was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents	\$ 6,154,534	\$ 5,555,064
Restricted assets	<u>14,323,539</u>	<u>14,323,539</u>
Covered by FDIC insurance	\$ 500,155	
Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name	<u>20,406,250</u>	
	<u>\$ 20,906,405</u>	

Collateral is required for time deposits and certificates of deposit at 102 percent of all deposits not covered by the federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States of America and its agencies and obligations of the State and its municipalities and towns.

## 7. RESTRICTED ASSETS

Restricted assets are held for the following purposes at March 31, 2021:

Landfill Closure and Post-Closure Care	\$ 15,576,249
Telecommunications Network	10,504,654
Replacement and Liner at Materials Management Facility	12,307,608
Affordable Housing Program	10,602,801
North Country Economic Development	7,932,147
Community Rental Housing Program	5,111,408
Community Development Loan Fund	4,101,547
Army Water and Sewer Line	2,967,503
Wetlands Mitigation	1,312,332
Regional Waterline Operating and Debt Service Reserves	<u>487,702</u>
	<u>\$ 70,903,951</u>

## 7. RESTRICTED ASSETS (Continued)

For restricted assets, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the Authority's investment policy, an investment of funds may be less than fully secured in the event that any one of the following occurs: the yield on the investment outweighs the risk, it involves an investment of less than \$25,000, it is an investment with a duration of less than a week or it is not a customary practice that the investment be fully secured. All restricted assets were fully secured at March 31, 2021.

Restricted assets consisted of the following at March 31, 2021:

Certificates of deposit	\$ 41,287,405
United States Treasury obligations/Government agencies	11,682,905
Money market funds	17,826,088
Accrued interest receivable	<u>107,553</u>
	<u>\$ 70,903,951</u>

## 8. LOANS RECEIVABLE

Loans receivable are summarized as follows at March 31, 2021:

Loans receivable:	
Affordable Housing Program	\$ 13,397,436
Community Rental Housing Program	11,744,867
Community Development Loan Fund	6,079,793
North Country Economic Development Loan Fund	2,547,053
Development Authority Economic Development Loan Fund	<u>48,287</u>
Total loans receivable	<u>\$ 33,817,436</u>

The following tables present informative data by class of loans receivable regarding their age and interest accrual status at March 31, 2021.

	<u>Current</u>	30 - 59 <u>Days</u>	60 - 89 <u>Days</u>	≥ 90 <u>Days</u>	Total <u>Past Due</u>	Non- <u>accrual</u>	Total Loans <u>Receivable</u>
Affordable Housing Program	\$ 13,355,553	\$ 41,883	\$ -	\$ -	\$ 41,883	\$ -	\$ 13,397,436
Development Authority Economic Development Loan Fund	48,287	-	-	-	-	-	48,287
Community Rental Housing Program	11,744,867	-	-	-	-	-	11,744,867
Community Development loan fund	6,074,699	5,094	-	-	5,094	-	6,079,793
North Country Economic Development loan fund	<u>2,544,970</u>	<u>2,083</u>	<u>-</u>	<u>-</u>	<u>2,083</u>	<u>-</u>	<u>2,547,053</u>
Total	<u>\$ 33,768,376</u>	<u>\$ 49,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,060</u>	<u>\$ -</u>	<u>\$ 33,817,436</u>

**8. LOANS RECEIVABLE (continued)**

Activity in the allowance for loan losses is as follows for the year ended March 31, 2021:

Balance, beginning of year	\$ 146,429
Loans charged off	-
Allowance provisions	<u>234,944</u>
Balance, end of year	<u>\$ 381,373</u>

The following summarizes the ending loan receivable balances individually and collectively evaluated for impairment, as well as the allowance for loan loss allocation for each at March 31, 2021.

	<u>Ending Loan Balance</u>			<u>Allowance for Loan Losses</u>		
	Individually Evaluated for <u>Impairment</u>	Collectively Evaluated for <u>Impairment</u>	<u>Total</u>	Loans Individually Evaluated for <u>Impairment</u>	Loans Collectively Evaluated for <u>Impairment</u>	<u>Total</u>
Commercial loans	<u>\$33,817,436</u>	<u>\$ -</u>	<u>\$33,817,436</u>	<u>\$ -</u>	<u>\$ 381,373</u>	<u>\$ 381,373</u>

There were no impaired loans at March 31, 2021.

## 9. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2021 was as follows:

	Balance April 1, 2020	Additions	Transfers	Disposals	Balance March 31, 2021
Land	\$ 1,620,224	\$ -	\$ 86,475	\$ -	\$ 1,706,699
Construction-in-progress	<u>12,971,762</u>	<u>17,717,982</u>	<u>(7,888,570)</u>	<u>(59,241)</u>	<u>22,741,933</u>
Total non-depreciable assets	<u>\$ 14,591,986</u>	<u>\$ 17,717,982</u>	<u>\$ (7,802,095)</u>	<u>\$ (59,241)</u>	<u>\$ 24,448,632</u>
Construction:					
Materials Management Facility	\$ 75,969,476	\$ -	\$ 6,118,066	\$ -	\$ 82,087,542
Water Quality	40,518,779	-	15,000	-	40,533,779
Telecommunications network	44,927,385	169,719	839,504	-	45,936,608
Engineering	96,486	-	-	-	96,486
General and administrative	112,658	-	-	-	112,658
Equipment:					
Materials Management Facility	9,404,640	951,180	144,172	(257,616)	10,242,376
Water Quality	2,126,388	-	374,792	-	2,501,180
Telecommunications network	19,502,342	57,001	-	310,559	19,869,902
Engineering	77,839	-	-	-	77,839
General and administrative	683,520	11,567	-	-	695,087
Vehicles:					
Materials Management Facility	35,854	-	-	-	35,854
Water Quality	56,470	-	-	-	56,470
General and administrative	988,854	118,673	-	(58,938)	1,048,589
Leasehold improvements:					
Telecommunications network	45,162	-	-	-	45,162
General and administrative	30,119	-	-	-	30,119
Total at cost	<u>194,575,972</u>	<u>1,308,140</u>	<u>7,491,534</u>	<u>(5,995)</u>	<u>203,369,651</u>
Less: Accumulated depreciation and amortization for:					
Construction	(114,336,595)	(5,223,272)	-	-	(119,559,867)
Equipment	(21,630,468)	(2,314,567)	-	245,147	(23,699,888)
Vehicles	(566,219)	(194,358)	-	51,571	(709,006)
Leasehold improvements	<u>(75,281)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,281)</u>
Total accumulated depreciation and amortization	<u>(136,608,563)</u>	<u>(7,732,197)</u>	<u>-</u>	<u>296,718</u>	<u>(144,044,042)</u>
Total depreciable assets, net	<u>\$ 57,967,409</u>	<u>\$ (6,424,057)</u>	<u>\$ 7,491,534</u>	<u>\$ 290,723</u>	<u>\$ 59,325,609</u>
Total capital assets, net	<u>\$ 72,559,395</u>	<u>\$ 11,293,925</u>	<u>\$ (310,561)</u>	<u>\$ 231,482</u>	<u>\$ 83,774,241</u>

## 10. FINANCING ARRANGEMENTS

Loans payable activity for the year ended March 31, 2021 was as follows:

	Long Term Portion Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Due Within <u>One Year</u>	Long Term Portion Ending <u>Balance</u>
Unsecured loan payable to the State of New York in annual payments of \$50,000 through March 2040. This loan does not bear interest.	\$ 964,000	\$ -	\$ (50,000)	\$ (50,000)	\$ 864,000
Loan payable to the U.S. Department of Agriculture Rural Development in annual payments of \$91,104, including interest at 4.50% through April 2036. The Authority's regional waterline assets secure this loan.	1,022,749	-	(45,080)	(47,111)	930,558
Note payable to NYS Housing Trust Fund. Principal is due in full on December 31, 2038 and is only payable upon loan repayment from ultimate loan recipient. This note does not bear interest. Funds were used to make an economic development loan.	600,000	-	-	-	600,000
Note payable to New York Job Development Authority. Principal is due in full on April 25, 2028 with one-third principal payments due in the 5 <sup>th</sup> , 7 <sup>th</sup> and final year of the note. The note bears interest at 1.0% commencing on June 30, 2019.	333,333	-	(333,333)	-	-
Unsecured note payable to the Village of Cape Vincent requiring quarterly payments ranging from \$7,028 to \$7,100, including interest at 2.0% through March 2049.	<u>617,506</u>	<u>-</u>	<u>(15,928)</u>	<u>(16,213)</u>	<u>585,365</u>
Loans payable	<u>\$ 3,426,580</u>	<u>\$ -</u>	<u>\$ (444,341)</u>	<u>\$ (113,323)</u>	<u>\$ 2,979,923</u>

## 10. FINANCING ARRANGEMENTS (Continued)

Long-term debt revenue bond activity for the year ended March 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Due Within One Year	Long Term Portion Ending Balance
Series 2015 bonds maturing in annual amounts ranging from \$225,000 to \$490,000 through 2041 bearing interest ranging from 2.00% to 4.50%.	7,540,000	-	(265,000)	(270,000)	7,005,000
Series 2019 bonds maturing in annual amounts ranging from \$240,000 to \$650,000 through 2044 bearing interest ranging from 4.00% to 5.00%.	10,720,000	-	(240,000)	(250,000)	10,230,000
Unamortized bond (discount)/premium	<u>1,362,861</u>	<u>-</u>	<u>(55,277)</u>	<u>-</u>	<u>1,307,584</u>
Long-term revenue bond liabilities	<u>\$ 19,622,861</u>	<u>\$ -</u>	<u>\$ (560,277)</u>	<u>\$ (520,000)</u>	<u>\$ 18,542,584</u>

### Future Minimum Payments

The future minimum payments for the Authority's financing arrangements are as follows as of March 31, 2021:

	Principal	Interest	Total
2022	\$ 633,323	\$ 698,495	\$ 1,331,818
2023	650,726	677,576	1,328,302
2024	678,226	654,700	1,332,926
2025	696,109	630,587	1,326,696
2026	723,813	603,989	1,327,802
2027 – 2031	4,069,459	2,579,563	6,649,022
2032 – 2036	4,881,749	1,764,254	6,646,003
2037 – 2041	5,827,773	874,812	6,702,585
2042 – 2046	2,605,720	180,225	2,785,945
2047 – 2051	<u>81,348</u>	<u>3,271</u>	<u>84,619</u>
	<u>20,848,246</u>	<u>8,667,472</u>	<u>29,515,718</u>

### Interest Paid

Interest paid on all financing arrangements during the years ended March 31, 2021 and March 31, 2020 were \$662,270 and \$488,471, respectively.

## 11. MATERIALS MANAGEMENT FACILITY

### **Landfill Closure and Post-Closure Care Costs**

State and federal laws and regulations require the Authority to place a final cover on its Materials Management Facility (the Facility) landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure costs are incurred in phases as needed and post-closure care costs will be paid near or after the date that the landfill stops accepting waste. The Authority reports a portion of these closure and post-closure care costs as a liability in each period based on landfill capacity used as of the Statement of Net Position date. The \$15,815,480 reported as landfill closure and post-closure care liability at March 31, 2021 represents the cumulative amount reported to date based on the use of 91% of the estimated capacity of the landfill. The Authority will recognize the remaining estimated cost of closure and post-closure care of approximately \$1,739,000 as the remaining estimated capacity is filled. These amounts are based on what it is estimated it would cost to perform all closure and post-closure care through 2055. The Authority expects to close the currently permitted landfill in 2025. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

The Authority is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The Authority is in compliance with these requirements, and, at March 31, 2021, investments of \$15,576,249 are held for these purposes. These investments are reported in restricted assets on the statement of net position. The Authority expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users.

### **Replacement**

The Authority charges various tipping fees depending on the type of waste accepted at the Facility. Included in the tipping fee are charges per ton for the replacement of the Facility's equipment and infrastructure. The Authority considers the funds collected from these fees as restricted net assets as the Facility needs to replace capital assets in order to meet the future revenue bonds debt service payments. In 2021, tipping fees of approximately \$620,100 and were set aside for replacement. These charges have been recorded as revenue in the accompanying Statement of Revenue, Expenses and Change in Net Position and in restricted net position in the accompanying Statement of Net Position. As funds are expended for their specific purpose they are reclassified to capital assets.

### **Wetlands Mitigation**

In 2015, the Authority established a wetlands mitigation account in order to fund the future expansion of the Facility. The Authority considers these to be restricted net assets as the Facility is required by law to mitigate the wetlands at the Facility in order to expand. The balance in this reserve was \$1,312,332 at March 31, 2021.

### **Investment Income**

The Authority has set aside funds in order to meet the future financial obligations of the Facility including closure and post-closure costs, replacement and debt repayments. Investment income on these funds is recorded as revenue/(loss) in the accompanying Statement of Revenue, Expenses and Change in Net Position and amounted to approximately \$225,900 in 2021.

**12. COMMITMENTS AND CONTINGENCIES**

**Commitments**

The Authority entered into a lease agreement with the New York State Office of General Services (NYSOGS) for office space effective September 1, 2020 and expiring on August 31, 2023. Under the terms of the lease, monthly payments of \$8,884 are required. Total rental expense charged to operations amounted to \$151,010 during the year ended March 31, 2021.

**Contingencies**

The Authority is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the Authority.

**13. PENSION PLAN**

**New York State and Local Employees' Retirement System Plan Description**

The Authority participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**Contributions**

The System is contributory except for employees who joined the New York State and Local Employees' Retirement System before July 27, 1976. Employees who joined the system between July 27, 1976 through December 31, 2009 contribute 3% of their salary for the first ten years of membership. Employees who joined the system between January 1, 2010 through March 31, 2012 contribute 3% of their salary for their entire careers and employees who joined the system after April 1, 2012 contribute between 3 and 6 percent their entire careers. Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were approximately:

2021	\$797,000
2020	\$767,000
2019	\$714,000

### 13. PENSION PLAN (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At March 31, 2021, the Authority reported a liability of \$5,248,617 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2021, the Authority's proportion was 0.0198206%.

For the year ended March 31, 2021, the Authority recognized pension expense of approximately \$1,800,000.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

At March 31, 2021, the Authority reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 308,902	\$ -
Changes in assumptions	105,682	91,255
Net difference between projected and actual earnings on pension plan investments	2,690,696	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	99,995	24,741
Contributions subsequent to measurement date	<u>796,667</u>	<u>-</u>
	<u>\$ 4,001,942</u>	<u>\$ 115,996</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows for the Plan's year ended March 31:

2022	\$ 524,291
2023	775,686
2024	992,106
2025	<u>797,196</u>
	<u>\$ 3,089,279</u>

The Authority recognized \$796,667 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2020, which will be recognized as a reduction of the net pension liability in the year ended March 31, 2022.

### 13. PENSION PLAN (Continued)

#### Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuations used the following actuarial assumptions:

	<u>March 31, 2020</u>
Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	4.2% indexed by service
Investment rate of return	6.8% compounded annually, net of investment expenses
Projected cost of living adjustments	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of March 31, 2020 are summarized in the following table:

<u>Asset type</u>	<u>Target allocations</u>	<u>Long-term expected real rate of return</u>
Domestic equity	36%	4.05%
International equity	14%	6.15%
Private equity	10%	6.75%
Real estate	10%	4.95%
Absolute return	2%	3.25%
Opportunistic portfolio	3%	4.65%
Real asset	3%	5.95%
Bonds and mortgages	17%	0.75%
Cash	1%	0.00%
Inflation-indexed bonds	<u>4%</u>	0.50%
	<u>100%</u>	

### 13. PENSION PLAN (Continued)

#### Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Sensitivity of the Proportionate Share of the Net Pension (Liability) Asset to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension (liability) asset calculated using the discount rate of 6.8% at March 31, 2021, as well as what the Authority's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	2021		
	1% Decrease (5.8%)	Current assumption (6.8%)	1% Increase (7.8%)
Proportionate share of net pension asset (liability)	\$ 9,632,695	\$ 5,248,617	\$ 1,210,863

#### Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

	<u>Pension Plan's fiduciary net position</u>	<u>Authority's proportionate share of Plan's fiduciary assumption net position</u>	<u>Authority's allocation percentage as determined by the Plan</u>
Total pension liability	\$ 194,596,261,000	\$ 38,570,147	0.0198206%
Net position	<u>(168,115,682,000)</u>	<u>(33,321,537)</u>	0.0198206%
Net pension liability (asset)	\$ 26,480,579,000	\$ 5,248,617	0.0198206%
Fiduciary net position as a percentage of total pension liability	86.39%	86.39%	

## 14. OTHER POSTEMPLOYMENT BENEFITS

### Plan Description

The Authority provides for postretirement medical benefits to retiring employees after 15 years of service. Employees hired on or after April 1, 2008 will be required to complete 20 years of service. When a retiree reaches age 65, Medicare will provide primary coverage, except as otherwise provided by law. The Plan can be amended by action of the Authority and its Board of Directors. The Plan does not issue a stand-alone financial report since there are no assets accumulated in a trust that meet the criteria in GASB 75, paragraph 4.

### Employees Covered by Benefit Terms

At March 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	14
Active employees	<u>59</u>
Total participants	<u>73</u>

### OPEB Liability

The Authority's total OPEB liability of \$4,950,122 was determined by using an actuarial valuation as of March 31, 2021.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the March 31, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increase Rate	3.00%
Discount Rate	3.29%
Health Care Cost Trend Rate	5.00%
Actuarial Cost Method	Entry Age Actuarial Accrued Liability Cost Method
Mortality Rates	Based on Active and Retired Lives – The RP-2014 Mortality Table with separate rates for males and females and for actives and retirees

### Changes in the OPEB Liability

OPEB Liability as of March 31, 2020	\$ 5,433,204
Service cost	259,524
Interest	187,290
Changes in actual and expected Benefit payments	<u>(862,191)</u> <u>(67,705)</u>
OPEB Liability as of March 31, 2021	<u>\$ 4,950,122</u>

#### 14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

##### Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	2021		
	1% Decrease (2.29%)	Discount Rate (3.29%)	1% Increase (4.29%)
OPEB Liability	\$ 6,053,765	\$ 4,950,122	\$ 4,098,945

##### Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	2021		
	1% Decrease (4.0%)	Discount Rate (5.0%)	1% Increase (6.0%)
OPEB Liability	\$ 4,027,480	\$ 4,950,122	\$ 6,164,687

##### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2021, the Authority recognized OPEB expense of \$340,164. At March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Amortization of the difference between actual and expected experience	\$ -	\$ 898,478
Amortization of changes of assumptions or other inputs	171,716	-
	<u>\$ 171,716</u>	<u>\$ 898,478</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2022	\$ (38,946)
2023	(38,946)
2024	(38,946)
2025	(38,946)
2026	(38,946)
Thereafter	<u>(532,032)</u>
	<u>\$ (726,762)</u>

## 15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through XXX, 2021, which is the date the financial statements were available to be issued.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

SUPPLEMENTAL SCHEDULE OF REVENUE, EXPENSES AND CHANGE IN NET POSITION BY DEPARTMENT  
FOR THE YEAR ENDED MARCH 31, 2021

	General and Administration	Solid Waste Management Facility	Water and Waste Water Operations	Telecommunications Network	Housing and Economic Development	Engineering	Total
<b>OPERATING REVENUE:</b>							
Customer billings	\$ -	\$ 8,526,460	\$ 5,424,945	\$ 6,275,593	\$ 141,017	\$ 1,151,971	\$ 21,519,986
Grant revenue	5,851	248,245	-	-	855,120	1,463	1,110,679
Loan interest income	-	-	-	-	478,172	-	478,172
Other revenue	191,829	802,247	13,451	16,500	33,622	-	1,057,649
Total operating revenues	197,680	9,576,952	5,438,396	6,292,093	1,507,931	1,153,434	24,166,486
<b>OPERATING EXPENSES:</b>							
Depreciation and amortization	254,175	3,080,866	786,673	3,582,745	-	27,738	7,732,197
Salaries	1,154,302	1,659,522	1,189,357	1,261,520	332,373	626,180	6,223,254
Fringe benefits	526,753	1,104,600	757,827	624,108	207,946	364,555	3,585,789
Operation and maintenance	15,028	1,620,141	112,615	1,629,815	6,400	78,599	3,462,598
Wastewater treatment	-	225,903	1,017,986	-	-	-	1,243,889
Water purchases	-	-	621,586	-	-	-	621,586
Community benefits	-	719,411	-	-	103,766	-	823,177
Closure and post-closure costs	-	723,478	-	-	-	-	723,478
Grant	-	-	-	-	1,162,316	-	1,162,316
Office and administrative	184,063	60,514	59,104	78,794	5,476	39,767	427,718
Insurance	18,663	179,539	85,572	124,090	-	26,462	434,326
Bad debt	-	-	-	(3,242)	(20,800)	-	(24,042)
Automobile	1,018	22,654	195,562	91,294	-	12,470	322,998
Utilities	-	66,717	83,807	3,598	-	-	154,122
Materials and supplies	-	232,455	-	-	-	-	232,455
Professional fees	175,886	23,503	3,243	191,909	72,484	-	467,025
Computer	193,232	14,874	13,745	27,799	750	35,638	286,038
NYS administrative assessment	-	49,900	31,054	34,052	-	6,994	122,000
Repairs and maintenance	-	23,227	155,940	-	-	-	179,167
Engineering allocation	-	29,918	35,705	12,726	2,347	(80,696)	-
Administrative allocation	(2,170,806)	844,341	482,096	620,418	165,979	57,972	-
Total operating expenses	352,314	10,681,563	5,631,872	8,279,626	2,039,037	1,195,679	28,180,091
Total operating income	(154,634)	(1,104,611)	(193,476)	(1,987,533)	(531,106)	(42,245)	(4,013,605)
<b>NON-OPERATING REVENUE (EXPENSE):</b>							
Interest income	113,332	225,901	48,608	101,761	109,998	-	599,600
Gain on sale of capital assets, net	19,433	62,033	-	-	-	-	81,466
Bond issuance costs	-	-	-	-	-	-	-
Interest expense	-	(600,079)	(59,403)	-	-	-	(659,482)
Total non-operating revenue (expense)	132,765	(312,145)	(10,795)	101,761	109,998	-	21,584
CHANGE IN NET POSITION	\$ (21,869)	\$ (1,416,756)	\$ (204,271)	\$ (1,885,772)	\$ (421,108)	\$ (42,245)	\$ (3,992,021)

The accompanying notes are an integral part of these schedules.

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

**SUPPLEMENTAL SCHEDULE OF NORTH COUNTRY ECONOMIC DEVELOPMENT  
 FUND ACTIVITY (UNAUDITED)  
 FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Total</u>
Funds held for others - beginning of year	\$ 10,412,025
Loan interest income	70,623
Recovered bad debt income	8,000
Investment income	88,114
Mark to market adjustment	(991)
Investment fees	(3,392)
Consulting expense	(8,000)
Bad debt expense	<u>(87,264)</u>
Change in fund	<u>67,090</u>
Funds held for others - end of year	<u>\$ 10,479,115</u>
Assets held for North Country Economic Development	
Investments	\$ 7,928,501
Loan interest receivable	3,561
Loans receivable	<u>2,547,053</u>
Funds held for others	<u>\$ 10,479,115</u>

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED MARCH 31, 2021

	Last 10 Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>										
Service cost	\$ 259,524	\$ 248,401	\$ 248,401							
Interest	187,290	169,281	169,281							
Changes of benefit terms		-	-							
Differences between expected and actual experience	(862,191)	-	(99,163)							
Changes in assumptions		-	208,511							
Benefit payments	(67,705)	(59,298)	(53,275)							
<b>Total change in total OPEB liability</b>	(483,082)	358,384	473,755							
<b>Total OPEB liability - beginning</b>	<u>5,433,204</u>	<u>5,074,820</u>	<u>4,601,065</u>							
<b>Total OPEB liability - ending</b>	<u>\$ 4,950,122</u>	<u>\$ 5,433,204</u>	<u>\$ 5,074,820</u>							
<b>Covered-employee payroll</b>	\$ 3,819,887	\$ 4,287,573	\$ 3,679,648							
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	129.6%	126.7%	137.9%							

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Notes to schedule:**

**Changes of assumptions.** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	3.29%	3.29%	3.29%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The actuarial cost method used to calculate the costs of the Plan is known as the Entry Age Actuarial Accrued Liability Cost Method.

The healthcare trend cost rates have remained consistent at a rate of 5.0%.

**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED MARCH 31, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability (asset)	0.020%	0.018%	0.018%	0.018%	0.017%	0.017%				
Proportionate share of the net pension liability (asset)	\$ 5,248,617	\$ 1,309,024	\$ 573,949	\$ 1,648,794	\$ 2,709,904	\$ 565,635				
Covered-employee payroll	\$ 5,642,812	\$ 5,462,255	\$ 4,970,504	\$ 4,620,918	\$ 4,355,501	\$ 4,052,840				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	93.01%	23.96%	11.55%	35.68%	62.22%	13.96%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

Draft - Subject to Change

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED MARCH 31, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 796,667	\$ 766,847	\$ 714,456	\$ 683,563	\$ 659,418	\$ 601,067				
Contributions in relation to the contractually required contribution	796,667	766,847	714,456	683,563	659,418	601,067				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 5,642,812	\$ 5,462,255	\$ 4,970,504	\$ 4,620,918	\$ 4,355,501	\$ 4,052,840				
Contributions as a percentage of covered-employee payroll	14.12%	14.04%	14.37%	14.79%	15.14%	14.83%				

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

Draft - Subject to Change

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June XX, 2021

To the Board of Directors of the  
Development Authority of the North Country:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Development Authority of the North Country (the Authority) (a public benefit corporation of the State of New York), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June XX, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

June XX, 2021

To the Board of Directors of the  
Development Authority of the North Country

**Report on Compliance for Each Major Federal Program**

We have audited the Development Authority of the North Country's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended March 31, 2021. The Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable of its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2021.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**  
(Continued)

**Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2021**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant or Pass Through Number</u>	<u>Expenditures to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Passed through Jefferson County: Home Investment Partnerships Program	14.239	M19-DC360512	\$ 672,246	\$ 707,246
Passed through Town of Ogdensburg: Community Development Block Grant	14.228	464HR324-19	3,410	3,410
Passed through Town of Gouverneur: Community Development Block Grant	14.228	464HR324-19	<u>181,759</u>	<u>211,739</u>
Total Community Development Block Grants			<u>185,169</u>	<u>215,149</u>
Total U.S. Department of Housing and Urban Development:			857,415	922,395
U.S. DEPARTMENT OF DEFENSE:				
Direct: Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	HQ00051810035	N/A	<u>96,978</u>
Total expenditures of federal awards				<u>\$ 1,019,373</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**General**

The schedule of expenditures of federal awards presents the activity of all federal award programs of Development Authority of the North Country. The schedule includes expenditures of federal programs received directly from federal agencies, as well as federal assistance passed through other organizations. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

**Basis of Accounting**

The accompanying schedule of expenditures of federal awards has been prepared in conformity with accounting principles generally accepted in the United States of America and amounts presented are derived from the Authority's general ledger.

**Indirect and Matching Costs**

Indirect costs may be included in the reported expenditures to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the Authority's share of certain program costs) are not included in the reported expenditures.

The Authority did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED MARCH 31, 2021

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### A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unmodified opinion on whether the financial statements of the Development Authority of the North Country (the Authority) are prepared in accordance with GAAP.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Authority, which would be required to be reported with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses or significant deficiencies related to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report expresses an unmodified opinion on compliance for the major federal award program for the Authority.
6. There were no audit findings relative to the major federal award program for the Authority that are required to be reported in accordance with 2 CFR Section 200.516 (a).
7. The program tested as a major program was Home Investment Partnerships Program, CFDA #14.239.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Authority was determined to be a low-risk auditee.

### B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

### C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

### D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None.

**DEVELOPMENT AUTHORITY OF  
THE NORTH COUNTRY**

**Communication of Matters Related to Internal  
Control Over Financial Reporting  
June 2021**

**Bonadio & Co., LLP**  
Certified Public Accountants

June 2021

To the Board of Directors of the  
Development Authority of the North Country:

In planning and performing our audit of the financial statements of Development Authority of the North Country (the Authority) as of and for the year ended March 31, 2021, in accordance with auditing standards generally accepted in the United States, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, Board of Directors and others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

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## **DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

### **COMMUNICATIONS OF MATTERS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING JUNE 2021**

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#### **SUMMARY OBSERVATIONS REGARDING INTERNAL CONTROL ENVIRONMENT**

Our audit process and related testing determined that the accounting records and documentation maintained by the Authority accounting and management personnel were well prepared for audit purposes. The best evidence of the preceding statement is reflected by the following audit results:

- a) We did not identify any internal control deficiencies or material weaknesses during the course of our audit process.
- b) There were no "Audit Adjustments" required that related to errors or omissions by the Authority accounting personnel.

The results described above are desirable objectives for any Organization subject to a financial statement audit process.

While we did not identify any specific recommendations for improvement in this area, we want to emphasize the importance of board oversight and involvement as a key component of the Authority's internal control environment.

We appreciate the cooperation and courtesies extended by your personnel to our representatives during the course of the audit process.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

June XX, 2021

To the Board of Directors of the  
Development Authority of the North Country:

We have performed the procedures enumerated below, which were agreed to by the Development Authority of the North Country (the Authority), solely to assist you in evaluating the Regional Waterline Capital and Operating Reserve Funding analysis for the year ended March 31, 2021. The Authority's management is responsible for the Regional Waterline Capital and Operating Reserve Funding analysis. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. We obtained the Regional Waterline Capital and Operating Reserve Funding analysis for the year ended March 31, 2021 as attached in Exhibit I.
2. We recalculated the revenue (billings) recognized in the Regional Waterline Capital and Operating Reserve Funding analysis. For the capital component, we verified the fixed costs per customer to the fixed rates approved in the Board minutes and published by the Authority for the year. For the operating component, we multiplied the water flows for the year by the per gallon rate approved in the Board minutes and published by the Authority.

**We were able to recalculate the revenue recognized for the operating and capital components as stated in Exhibit I, without exception.**

3. For six customers on the Regional Waterline, we obtained the quarterly billing for the period April 2020 through March 2021. We then traced the water flows charged to the customer on the related billing document to the water flow logs. We also tested the mathematical accuracy of the billing.

**We noted no exceptions as a result of this procedure.**

4. We obtained the detail of expenses for the Regional Waterline. We then selected a sample of 20 expenses charged to the Regional Waterline and obtained the related invoices to determine whether the expense was an expense related to the Regional Waterline. Our sample represented approximately \$46,000 of expenses.

**We noted no exceptions as a result of this procedure.**

5. We obtained the principal payments made on the Regional Waterline debt for the year ending March 31, 2021 and agreed the total principal payments to the Regional Waterline Capital and Operating Reserve Funding analysis.

**We noted no exceptions as a result of this procedure.**

6. We obtained the interest payments made on the Regional Waterline debt for the year ending March 31, 2021 and agreed total interest payments to the Regional Waterline Capital and Operating Reserve Funding analysis.

**We noted no exceptions as a result of this procedure.**

7. The capital costs charged to the Regional Waterline were reconciled to the fixed asset records of the Authority.

**We noted no exceptions as a result of this procedure.**

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an audit, the objectives of which would be the expression of an opinion on the Regional Waterline Capital and Operating Reserve Funding Analysis. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors, management and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

REGIONAL WATERLINE - CAPITAL AND OPERATING RESERVE FUNDING  
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Capital</u>	<u>Operating</u>	<u>Total</u>
<b>Reserves Held - March 31, 2020</b>	<b>\$ 308,423</b>	<b>\$ 62,624</b>	<b>\$ 371,047</b>
Billings FYE 2021	274,264	80,666	354,930
Interest Income and miscellaneous income	8,623	-	8,623
Expenses	(127,570)	(83,080)	(210,650)
Interest Expense	(59,403)	-	(59,403)
Principal Payment	(73,494)	-	(73,494)
Capital Costs	-	-	-
	<u>22,420</u>	<u>(2,414)</u>	<u>20,006</u>
<b>Change In Reserves</b>			
Transfer to Offset Losses	(2,414)	2,414	-
<b>Net Change in Reserve</b>	<u>20,006</u>	<u>-</u>	<u>20,006</u>
<b>Reserves Held - March 31, 2021</b>	<b><u>\$ 328,429</u></b>	<b><u>\$ 62,624</u></b>	<b><u>\$ 391,053</u></b>

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES**

June XX, 2021

To the Board of Directors of  
Development Authority of the North Country:

We have examined management of Development Authority of the North Country's (a New York State Public Benefit Corporation) (the Authority) assertion that the Authority complied with its own investment policies, applicable laws and regulations related to investments, and the New York State Office of the State Comptroller Investment Guidelines for Public Authorities for the year ended March 31, 2021. The Authority's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended March 31, 2021.

This report is intended solely for the information and use of management and the Board of Directors of the Authority and the New York State Office of the State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

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**Board Resolution No. 2021-06-86**  
**June 24, 2021**

**APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT,  
AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS  
FOR FISCAL YEAR ENDING MARCH 31, 2021**

Whereas, the Development Authority of the North Country appointed the accounting firm of Bonadio and Company, LLP, CPA, to audit its financial statements, complete a Single Audit, perform Agreed Upon Procedures related to the Regional Water Line and Report on Compliance with Laws Related to Investment Guidelines of the Authority as of and for the year ended March 31, 2021, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with Generally Accepted Auditing Standards and have issued an unmodified opinion on the financial statements, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with; 1) auditing standards generally accepted in the United States of America, 2) Government Auditing Standards, and 3) Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and have issued an unmodified opinion on the Single Audit, and

Whereas, Bonadio and Company, LLP, CPA, has conducted the Agreed-Upon Procedures engagement on the Authority's Regional Water Line in accordance with attestation standards established by the American Institute of Certified Public Accountants, and reported no exceptions, and

Whereas, Bonadio and Company, LLP, CPA, has prepared an Independent Auditor's Report on Compliance with Laws and Regulations Related to Investment Guidelines for Public Authorities, and reported that with respect to the items tested, the Authority complied in all material respect with its investment policy as well as the applicable State Comptroller's Investment Guidelines for Public Authorities, and

Whereas, the Audit Committee of the Authority Board has reviewed the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments as of and for the year ending March 31, 2021 and recommends acceptance to the Board.

Now, upon the recommendation of the Audit Committee, therefore, be it

**RESOLVED, that the Development Authority of the North Country does hereby accept the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments, as of and for the year ended March 31, 2021.**



**Board Resolution No. 2021-06-87**  
**June 24, 2021**

**APPROVING THE ASSESSMENT OF THE EFFECTIVENESS  
OF INTERNAL CONTROLS OF THE DEVELOPMENT AUTHORITY OF  
THE NORTH COUNTRY FOR FISCAL YEAR 2021**

Whereas, pursuant to Section 2800(9) of New York State Public Authorities Law, the Development Authority of the North Country shall prepare an Assessment of the Effectiveness of its Internal Controls structure and procedures, and

Whereas, Executive Management has prepared the attached Assessment of the Effectiveness of Internal Controls for Fiscal Year 2021 and recommends approval of such Assessment, and

Whereas, the Audit Committee has reviewed Executive Management's recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

**RESOLVED, that the Development Authority of the North Country does hereby approve the attached Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country, for the fiscal year 2021.**

## **Assessment of the Effectiveness of Internal Controls – FY 2021**

It is the policy of the Authority to prepare its financial statements in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board for proprietary funds. We accomplish this by adhering to the Development Authority's Accounting Manual which documents and outlines a system of internal controls which is developed to reduce fraud and abuse and to produce financial statements on a consistent basis.

The Development Authority of the North Country has developed an Accounting Manual which documents the principles, policies and procedures governing the Authority's accounting practices.

The principles, policies and procedures provide:

- A foundation for a system of internal controls
- Guidance in current financial activities
- Criteria for decisions on appropriate accounting treatment.
- Accounting staff with direction and guidance in connection with those accounting transactions, procedures, and reports that should be uniform throughout the Authority.

When consistently applied throughout the Authority, these principles and policies assure that the various financial statements issued by the Authority accurately reflect the results of the Authority's operations.

Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced in the operations of the business. Examples of internal controls implemented at the Development Authority are as follows:

- Dual signatures are required for disbursements in excess of \$15,000
- Requisitions and purchase orders must be authorized prior to encumbering Development Authority funds. Invoices received must be authorized prior to payment.
- Employee reimbursements are appropriately documented, approved by the employee's supervisor and audited by Compliance staff prior to payment.
- Bank accounts are reconciled monthly and are reviewed and approved by the Comptroller.
- Accounting functions are divided among employees so that the work of one employee complements and acts as a check on the work of another.

The system of internal controls of the Development Authority are monitored on a continual basis by the Chief Financial Officer and audited by Compliance staff who report the results of such audits to the Executive Director.

On an annual basis, the financial statements of the Development Authority are audited by an independent CPA firm. While the auditors were not engaged to perform an audit of internal controls, the auditors did not identify any deficiencies in internal control that they considered to be a control deficiency, significant deficiency, or material weaknesses during the audit for the fiscal year ended March 31, 2021.

In summary, the present internal control structure of the Development Authority is sufficient to meet the internal control objectives that pertain to the prevention and detection of fraud, errors and irregularities in the financial reporting of the Development Authority.



**Board Resolution No. 2021-06-88**  
**June 24, 2021**

**APPROVING ANNUAL BOND SALES REPORT  
FOR FISCAL YEAR ENDING MARCH 31, 2021**

Whereas, the Development Authority of the North Country operates according to Board policies and administrative guidelines as may be amended from time to time, and

Whereas, the Authority's Bond Sale Policy requires that the Authority shall annually prepare and approve a Bond Sales Report. The Bond Sales Report shall include the results of any Bond Sales during the year, to include Underwriter's Compensation, Net Interest Cost, and the Method of Sale.

Whereas, Executive Management has reviewed and recommends approval of the Annual Bond Sales Report for the fiscal year ending March 31, 2021, as attached, and

Whereas, the Audit Committee has reviewed Executive Management's recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

**RESOLVED, that the Development Authority of the North Country hereby approves the Annual Bond Sales Report for the fiscal year ending March 31, 2021, attached hereto and incorporated in this Resolution.**

**Development Authority of the North Country  
Annual Bond Sales Report  
Fiscal Year Ended March 31, 2021**

**Issuances**

<b><u>Bond Issue</u></b>	<b><u>Date Issued</u></b>	<b><u>Amount</u></b>	<b><u>Net Interest Cost</u></b>	<b><u>True Interest Cost</u></b>	<b><u>Underwriter Compensation</u></b>	<b><u>Method of Sale</u></b>	<b><u>Maturity</u></b>
No Debt Issued	NA	NA	NA	NA	NA	NA	NA

**Outstanding Bonds as of March 31, 2021**

<b><u>Bond Issue</u></b>	<b><u>Balance @ 3/31/21</u></b>	<b><u>Maturity</u></b>
Series 2019 SWMF Revenue Bonds	\$ 10,480,000	2044
Series 2015 SWMF Revenue Bonds	\$ 7,275,000	2040

Development Authority of the North Country  
 Board Contract Summary  
 June 2021

Company	Customer	Contract Type	Description of Services/Contract Title	Current Agreement (\$)	New Agreement / Amendment (\$)	Total Agreement	Start Date	End Date	County
60	Town of Louisville	TS	Leak Detection Services	\$ -	\$ 8,000.00	\$ 8,000.00	6/10/2021	10/31/2021	S. Lawrence

**Contract Types**

GIS - GIS Services

MS - WQ Management Services

O&M - WQ Operations & Maintenance

SCADA - SCADA Services

TS -Technical Services



**Board Resolution No. 2021-06-89**  
**June 24, 2021**

**TECHNICAL SERVICES AGREEMENT  
VILLAGE OF LACONA  
NYS PUBLIC EMPLOYER HEALTH EMERGENCY PLAN**

Whereas, the Authority previously developed Geographic Information System (GIS) datasets for water distribution systems under a separate agreement with the Village; and the Authority currently provides web-based GIS hosting services for the Village under an agreement dated May 10, 2021 (Resolution 2021-05-72), and

Whereas, New York State has new legislation (S8617B/A10832) requiring that all public employers develop a Public Employer Health Emergency Plan to adequately protect workers in the event of another state emergency involving a communicable disease, and

Whereas, the Village of Lacona has requested technical assistance from the Authority with the completion of their NYS Public Employer Health Emergency Plans, and

Whereas, the services requested will be provided for a not to exceed amount of \$1,250.

Now, therefore be it

**RESOLVED, that the Technical Services Agreement, by and between the Authority and the Village of Lacona, is hereby approved. The Executive Director is hereby authorized and directed to execute said Agreement.**

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
TECHNICAL SERVICES AGREEMENT FOR  
NEW YORK STATE (NYS) PUBLIC EMPLOYER HEALTH EMERGENCY PLAN  
WITH THE  
VILLAGE OF LACONA**

This Agreement entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2021, by and between:

**VILLAGE OF LACONA**, a municipal corporation of the State of New York having an office building and principal place of business located at 11 Park Ave., Lacona, NY 13083, herein after referred to as "Village",

And

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**, a public benefit corporation organized and existing under the laws of the State of New York, having an office and principal place of business located at 317 Washington Street, Watertown, New York 13601, hereinafter referred to as "Authority".

**Recitals**

- A. The Village has requested technical services from the Authority to develop a New York State Public Employer Health Emergency Plan for the Village to meet the requirements of the New York State Labor Law 27-C. At its board meeting held on \_\_\_\_\_, 2021, the board selected the Authority to assist the Village with this task.
- B. This Agreement is authorized under Section 2704(17) of the Public Authorities Law.

**Agreement**

In consideration of the mutual covenants herein contained, the parties agree as follows:

1. The scope of services that will be performed by the Authority consists of four tasks: 1) Research and data acquisition; 2) Plan development; 3) Draft Plan for municipal review and submission to unions/labor committees; and 4) Presentation of Final Plan. A description of each of these tasks follows.

1.1 **Research and Data Acquisition**

The Municipality will form a small committee of Board Members and Staff to work with the Authority on this plan. The Authority will review the existing employee structure and protocols to adequately protect workers in the event of another state disaster emergency involving a communicable disease. The Authority will work with the Municipal Committee to determine essential functions and positions.

1.2 **Plan Development**

The information gathered will be utilized to develop a written plan to meet the requirements of the New York State Labor Law 27-C. The plan will include the following:

- List and description of positions considered essential

- Descriptions of protocols to follow to enable all non-essential employees to work remotely
- Description of how employers would stagger work shifts to reduce overcrowding
- Protocols for PPE
- Protocol for when an employee is exposed to disease
- Protocol for documenting hours and work locations for essential workers
- Protocol for working with essential employees' localities for identifying emergency housing if needed
- Any other requirement determined by the New York State Department of Health, such as testing and contact tracing

1.3 Present Draft Plan to Municipal Committee

The Authority will provide a draft plan to the Municipal Committee for review. It is the responsibility of the Municipal Committee to submit the draft plan to their applicable unions and labor management committees for their review and comments. The Authority will incorporate any changes to the plan requested by the Municipal Committee based on the comments received from the unions and labor management committees.

1.4 Presentation of Final Plan

A complete NYS Public Employer Health Emergency Plan will be provided to the Municipality as two hardcopy versions, along with a digital file containing the plan in Word format so the Municipality can update the plan in the future. The final plan will be delivered by July 31, 2021.

2. The Village shall pay the Authority for such services at the labor hour burdened rate for the specific job classification performing the services as indicated in Table 1; provided, however, that the total cost of such services shall not exceed the amount of **\$1,250**. This amount assume participation in no more than three Municipal Committee meetings to develop and review the plan. If additional meetings are requested or additional scope requested, the Authority will notify the Village of the additional cost to proceed. Rates will be reviewed and may be adjusted on an annual basis consistent with the Authority's fiscal year (April 1<sup>st</sup> of the present year to March 31<sup>st</sup> of the following year) to account for cost of living adjustments. Mileage to the worksite will be reimbursed at the current Federal Mileage Rate. The Authority shall bill monthly upon invoices properly itemized and supported, and payment thereof shall be made by the Village within 30 days of receipt of each invoice.

TABLE 1

<b>Employee Wage Rate</b>	<b>Standard</b>	<b>Overtime</b>
Engineering Director	\$132	NA
Assistant Director of Engineering	\$85	NA
Controls Engineer	\$85	NA
Project Engineer	\$85	NA
GIS Specialist	\$55	\$69
Administrative Associate	\$62	\$76

3. The Village shall provide the reasonable support services of its attorney, Clerk and other staff as appropriate to assist in implementing the project.

4. The Authority shall carry general public liability insurance in the customary amounts and coverages maintained on its general operations, and shall name the Village as additional insured on the liability policy.
5. The Village shall carry general liability insurance in the customary amounts and coverages maintained on its general operations, and shall name the Authority as additional insured on the liability policy.
6. The Village will at all times indemnify and save harmless the Authority against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to persons or property resulting in any manner from the willful malfeasance or negligent acts or omissions of the Village, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement. The Authority will at all times indemnify and save harmless the Village against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to persons or property resulting in any manner from the willful malfeasance or negligent acts or omissions of the Authority, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement.
7. The Authority shall use reasonable diligence to provide the services herein required, but shall not be liable to the Village for damages, breach of contract, or otherwise, for failure, suspension, diminution, or other variations of service occasioned by any cause beyond the control of the Authority. The Village will not be liable in the event of a breach beyond their control. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, riots, strikes, civil disturbance, quarantine, restrictions, or inability to obtain equipment or supplies.
8. All accounts, reports and other records generated by the Authority or required under this Agreement, in the performance hereof, shall be open to inspection and audit at all reasonable times by the Village. Such records shall be retained by the Authority for a minimum of seven years following the expiration or earlier termination of this Agreement or an extended agreement.
9. The parties acknowledge that the Authority has undertaken and may undertake various projects unrelated to this Agreement. It is the intent of the parties that this Agreement, the service provided hereunder and all payments, accounts receivable and equipment resulting from or required by such service shall be separate from and independent of all unrelated projects and activities of the Authority. The Village shall have no right to, or claim upon, the assets, insurance proceeds or income of the Authority other than those associated with the performance of this Agreement, in satisfaction of any claim by the Village arising hereunder. A similar restrictive clause is contained and will be provided in all service agreements made by the Authority with others.
10. The Authority is an independent contractor with the Village and this Agreement does not create and shall not be construed as creating a relationship of principal and agent, landlord and tenant, or employer and employee.
11. No waiver by Village or Authority of any breach of any term, covenant or condition contained in this Agreement shall operate as a waiver of such term, covenant or condition itself, or of any subsequent breach thereof.
12. This Agreement shall be construed and enforced in accordance with the laws of the State of New York. If any provision of this Agreement shall, to any extent, be held invalid or

unenforceable, the remainder of this Agreement shall not be affected thereby and shall continue to be valid and enforceable to the fullest extent permitted by law.

13. This Agreement contains the entire agreement of the parties and may be modified or amended only by the written mutual agreement of the parties.

14. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if sent by certified or registered mail, return receipt requested, postage prepaid.

All of the above is established by the signatures of the authorized representatives of the parties.

**DEVELOPMENT AUTHORITY  
OF THE NORTH COUNTRY**

**VILLAGE OF LACONA**

By: \_\_\_\_\_

By: \_\_\_\_\_

Carl E. Farone, Jr.  
Executive Director

Lyndon Glazier  
Village Mayor

**ACKNOWLEDGEMENTS**

STATE OF NEW YORK     )  
  ) ss:  
COUNTY OF OSWEGO     )

On this \_\_\_\_ day of \_\_\_\_\_, before me personally came Lyndon Glazier, who being duly sworn, did dispose and says that he resides in the Village of Lacona, New York; that he is authorized to sign this Agreement on behalf of the Village Board described herein, and which executed the foregoing instrument; and that he signed his name thereto by order of said Board.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF NEW YORK     )  
  ) ss:  
COUNTY OF JEFFERSON     )

On this \_\_\_\_ day of \_\_\_\_\_, before me personally came Carl E. Farone, Jr., who being duly sworn, did dispose and says that he resides in Watertown, New York; that he is the Executive Director of the Development Authority of the North Country, the Authority described herein, and which executed the foregoing instrument; and that he signed his name thereto by order of said Authority.

\_\_\_\_\_  
NOTARY PUBLIC



**Board Resolution No. 2021-06-90**  
**June 24, 2021**

**TECHNICAL SERVICES AGREEMENT  
VILLAGE OF SANDY CREEK  
NYS PUBLIC EMPLOYER HEALTH EMERGENCY PLAN**

Whereas, the Authority currently provides web-based GIS hosting services for the Village under a shared services agreement with the Village of Lacona dated May 10, 2021 (Resolution 2021-05-72), and

Whereas, New York State has new legislation (S8617B/A10832) requiring that all public employers develop a Public Employer Health Emergency Plan to adequately protect workers in the event of another state emergency involving a communicable disease, and

Whereas, the Village of Sandy Creek has requested technical assistance from the Authority with the completion of their NYS Public Employer Health Emergency Plans, and

Whereas, the services requested will be provided for a not to exceed amount of \$1,250.

Now, therefore be it

**RESOLVED, that the Technical Services Agreement, by and between the Authority and the Village of Sandy Creek, is hereby approved. The Executive Director is hereby authorized and directed to execute said Agreement.**

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
TECHNICAL SERVICES AGREEMENT FOR  
NEW YORK STATE (NYS) PUBLIC EMPLOYER HEALTH EMERGENCY PLAN  
WITH THE**

**VILLAGE OF SANDY CREEK**

This Agreement entered into this 26 day of May, 2021, by and between:

**VILLAGE OF SANDY CREEK**, a municipal corporation of the State of New York having an office building and principal place of business located at 11 Park Ave., Lacona, NY 13083, herein after referred to as "Village",

And

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**, a public benefit corporation organized and existing under the laws of the State of New York, having an office and principal place of business located at 317 Washington Street, Watertown, New York 13601, hereinafter referred to as "Authority".

**Recitals**

- A. The Village has requested technical services from the Authority to develop a New York State Public Employer Health Emergency Plan for the Village to meet the requirements of the New York State Labor Law 27-C. At its board meeting held on May 26, 2021, the board selected the Authority to assist the Village with this task.
- B. This Agreement is authorized under Section 2704(17) of the Public Authorities Law.

**Agreement**

In consideration of the mutual covenants herein contained, the parties agree as follows:

1. The scope of services that will be performed by the Authority consists of four tasks: 1) Research and data acquisition; 2) Plan development; 3) Draft Plan for municipal review and submission to unions/labor committees; and 4) Presentation of Final Plan. A description of each of these tasks follows.

1.1 **Research and Data Acquisition**

The Municipality will form a small committee of Board Members and Staff to work with the Authority on this plan. The Authority will review the existing employee structure and protocols to adequately protect workers in the event of another state disaster emergency involving a communicable disease. The Authority will work with the Municipal Committee to determine essential functions and positions.

1.2 **Plan Development**

The information gathered will be utilized to develop a written plan to meet the requirements of the New York State Labor Law 27-C. The plan will include the following:

- List and description of positions considered essential

- Descriptions of protocols to follow to enable all non-essential employees to work remotely
- Description of how employers would stagger work shifts to reduce overcrowding
- Protocols for PPE
- Protocol for when an employee is exposed to disease
- Protocol for documenting hours and work locations for essential workers
- Protocol for working with essential employees' localities for identifying emergency housing if needed
- Any other requirement determined by the New York State Department of Health, such as testing and contact tracing

1.3 Present Draft Plan to Municipal Committee

The Authority will provide a draft plan to the Municipal Committee for review. It is the responsibility of the Municipal Committee to submit the draft plan to their applicable unions and labor management committees for their review and comments. The Authority will incorporate any changes to the plan requested by the Municipal Committee based on the comments received from the unions and labor management committees.

1.4 Presentation of Final Plan

A complete NYS Public Employer Health Emergency Plan will be provided to the Municipality as two hardcopy versions, along with a digital file containing the plan in Word format so the Municipality can update the plan in the future. The final plan will be delivered by July 31, 2021.

2. The Village shall pay the Authority for such services at the labor hour burdened rate for the specific job classification performing the services as indicated in Table 1; provided, however, that the total cost of such services shall not exceed the amount of **\$1,250**. This amount assume participation in no more than three Municipal Committee meetings to develop and review the plan. If additional meetings are requested or additional scope requested, the Authority will notify the Village of the additional cost to proceed. Rates will be reviewed and may be adjusted on an annual basis consistent with the Authority's fiscal year (April 1<sup>st</sup> of the present year to March 31<sup>st</sup> of the following year) to account for cost of living adjustments. Mileage to the worksite will be reimbursed at the current Federal Mileage Rate. The Authority shall bill monthly upon invoices properly itemized and supported, and payment thereof shall be made by the Village within 30 days of receipt of each invoice.

TABLE 1

<b>Employee Wage Rate</b>	<b>Standard</b>	<b>Overtime</b>
Engineering Director	\$132	NA
Assistant Director of Engineering	\$85	NA
Controls Engineer	\$85	NA
Project Engineer	\$85	NA
GIS Specialist	\$55	\$69
Administrative Associate	\$62	\$76

3. The Village shall provide the reasonable support services of its attorney, Clerk and other staff as appropriate to assist in implementing the project.

4. The Authority shall carry general public liability insurance in the customary amounts and coverages maintained on its general operations, and shall name the Village as additional insured on the liability policy.
5. The Village shall carry general liability insurance in the customary amounts and coverages maintained on its general operations, and shall name the Authority as additional insured on the liability policy.
6. The Village will at all times indemnify and save harmless the Authority against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to persons or property resulting in any manner from the willful malfeasance or negligent acts or omissions of the Village, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement. The Authority will at all times indemnify and save harmless the Village against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to persons or property resulting in any manner from the willful malfeasance or negligent acts or omissions of the Authority, its agents or employees pertaining to the activities to be carried out pursuant to the obligations of this Agreement.
7. The Authority shall use reasonable diligence to provide the services herein required, but shall not be liable to the Village for damages, breach of contract, or otherwise, for failure, suspension, diminution, or other variations of service occasioned by any cause beyond the control of the Authority. The Village will not be liable in the event of a breach beyond their control. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, riots, strikes, civil disturbance, quarantine, restrictions, or inability to obtain equipment or supplies.
8. All accounts, reports and other records generated by the Authority or required under this Agreement, in the performance hereof, shall be open to inspection and audit at all reasonable times by the Village. Such records shall be retained by the Authority for a minimum of seven years following the expiration or earlier termination of this Agreement or an extended agreement.
9. The parties acknowledge that the Authority has undertaken and may undertake various projects unrelated to this Agreement. It is the intent of the parties that this Agreement, the service provided hereunder and all payments, accounts receivable and equipment resulting from or required by such service shall be separate from and independent of all unrelated projects and activities of the Authority. The Village shall have no right to, or claim upon, the assets, insurance proceeds or income of the Authority other than those associated with the performance of this Agreement, in satisfaction of any claim by the Village arising hereunder. A similar restrictive clause is contained and will be provided in all service agreements made by the Authority with others.
10. The Authority is an independent contractor with the Village and this Agreement does not create and shall not be construed as creating a relationship of principal and agent, landlord and tenant, or employer and employee.
11. No waiver by Village or Authority of any breach of any term, covenant or condition contained in this Agreement shall operate as a waiver of such term, covenant or condition itself, or of any subsequent breach thereof.
12. This Agreement shall be construed and enforced in accordance with the laws of the State of New York. If any provision of this Agreement shall, to any extent, be held invalid or

unenforceable, the remainder of this Agreement shall not be affected thereby and shall continue to be valid and enforceable to the fullest extent permitted by law.

13. This Agreement contains the entire agreement of the parties and may be modified or amended only by the written mutual agreement of the parties.

14. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if sent by certified or registered mail, return receipt requested, postage prepaid.

All of the above is established by the signatures of the authorized representatives of the parties.

**DEVELOPMENT AUTHORITY  
OF THE NORTH COUNTRY**

**VILLAGE OF SANDY CREEK**

By: \_\_\_\_\_

By: 


Carl E. Farone, Jr.  
Executive Director

Lynn Miller  
Village Mayor

**ACKNOWLEDGEMENTS**

STATE OF NEW YORK     )  
  ) ss:  
COUNTY OF OSWEGO    )

On this 26 day of May, before me personally came Lynn Miller, who being duly sworn, did dispose and says that she resides in the Village of Sandy Creek, New York; that she is authorized to sign this Agreement on behalf of the Village Board described herein, and which executed the foregoing instrument; and that she signed her name thereto by order of said Board.

  
\_\_\_\_\_  
NOTARY PUBLIC

JILL M. MATTISON  
Notary Public, State of New York  
Qualified in Oswego County  
No. 01MA4863592  
My Commission Expires 7/21/22

STATE OF NEW YORK     )  
  ) ss:  
COUNTY OF JEFFERSON )

On this \_\_\_\_ day of \_\_\_\_\_, before me personally came Carl E. Farone, Jr., who being duly sworn, did dispose and says that he resides in Watertown, New York; that he is the Executive Director of the Development Authority of the North Country, the Authority described herein, and which executed the foregoing instrument; and that he signed his name thereto by order of said Authority.

\_\_\_\_\_  
NOTARY PUBLIC



**Board Resolution No. 2021-06-91**  
**June 24, 2021**

**TECHNICAL SERVICES AGREEMENT  
TOWN OF TUPPER LAKE  
LITTLE WOLF BEACH AND CAMPGROUND  
IMPROVEMENT PROJECT**

Whereas, the Tupper Lake Waterfront Master Plan and Beach Feasibility Study dated August 11, 2014 identifies Little Wolf Beach as a regional recreation asset, and

Whereas, the Town would like to develop a preliminary engineering report to address the development and improvement of the Little Wolf Beach and Campground, and

Whereas, the scope of the Authority's services will include the preparation of a request for engineering proposal, assistance with the selection process for an engineering firm, and project management services during the report preparation phase, and

Whereas, the services requested will be provided for a not to exceed amount of \$7,600.

Now, therefore be it

**RESOLVED**, that the Technical Services Agreement, by and between the Authority and the Town of Tupper Lake, is hereby approved. The Executive Director is hereby authorized and directed to execute said Agreement.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
TECHNICAL SERVICES AGREEMENT FOR  
GOLF CLUB & CROSS COUNTRY SKIING CENTER

WITH THE

TOWN OF TUPPER LAKE

This Agreement entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2021, by and between:

TOWN OF TUPPER LAKE, a municipal corporation of the State of New York having an office building and principal place of business located at 120 Demars Boulevard, Tupper Lake, New York 12986, herein after referred to as "Town",

And

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY, a public benefit corporation organized and existing under the laws of the State of New York, having an office and principal place of business located at 317 Washington Street, Watertown, New York 13601, hereinafter referred to as "Authority".

Recitals

- A. In March of 2018 the Authority completed a feasibility plan to complete improvements to the Town-owned Golf Club and Cross Country Ski Center.
- B. Recent interest from a group of local citizens has renewed interest in pursuing these improvements.
- C. The Town has requested technical services from the Authority to assist the Town with this project. At its Board meeting held on \_\_\_\_\_, 2021, the Board approved the Authority to assist the Town with this task. A copy of this Resolution has been attached as Exhibit A.
- D. This Agreement is authorized under Section 2704(17) of the Public Authorities Law.

Agreement

In consideration of the mutual covenants herein contained, the parties agree as follows:

- 1. Phase 1 - The scope of services that will be performed by the Authority in Phase 1 consists of three tasks: 1) Research and data acquisition; 2) Feasibility plan update; and 3) Presentation of results. A description of each of these tasks follows.

### 1.1 Research and Data Acquisition

The Authority will review existing Town reports, drawings, and records as well as interview Town personnel with knowledge of the Golf Club and Ski Center. The Authority will utilize a mapping-grade GPS unit to update capture key golf course features, cross country ski trails, electrical infrastructure, and water/sewer/electrical and stormwater infrastructure. Any additional information or changes that have occurred since 2018 will be documented.

### 1.2 Plan Update & Stakeholder Meetings

The Authority will facilitate up to three (3) Town stakeholder meetings during this phase to review the existing scope of work as presented in the Feasibility Plan (DANC, March 2018) and to define and prioritize the improvements. The information gathered in Phase 1 will be utilized to update the written asset inventory and feasibility plan.

### 1.3 Presentation/Review

The Authority will review the results of the Plan update and stakeholder meetings with the Town Board and gain approval on the scope and direction of the project.

2. Phase 2 – The scope of services that will be performed by the Authority in Phase 2 consists of two tasks: 1) Request for Engineering Proposal; and 2) Project management during development of bid documents and construction drawing development. A description of each of these tasks follows.

#### 2.1 Request for Engineering Proposal

The Authority will work with the Town to develop a Request for Proposal to obtain qualifications and pricing from qualified engineering firms to prepare bid documents and drawings to complete the agreed upon improvements. The Authority will facilitate the selection process for an engineering firm based on a review of the received proposals. The Town will enter into a separate agreement with their selected engineering firm.

#### 2.2 Project Management Services

The Authority will oversee the **selected engineering firm's** preparation of bid documents and construction drawings on behalf of the Town and serve as the overall project manager. The deliverable from the selected engineering firm will be full construction bid documents, drawings, and a detailed opinion of cost for the project. The Authority and Engineers scope of services will end when the bid documents are completed. Should the Town elect to proceed to the funding and construction

phase, an amendment shall be completed detailing the additional costs for these phases.

3. The Town shall pay the Authority at the labor hour burdened rate for the specific job classification performing the services (see Table 1) and for mileage to attend meetings, perform site visits etc. at the federal reimbursement rate; provided, however, that the total cost of such services shall not exceed \$20,000. Rates will be reviewed and may be adjusted on an annual basis consistent with the Authority's fiscal year (April 1st of the present year to March 31st of the following year) to account for cost of living adjustments. This agreement will terminate when the scope of services is completed or at which time the Town elects to discontinue services. The Authority shall bill monthly upon invoices properly itemized and supported, and payment thereof shall be made by the Town within 30 days of receipt of each invoice.

TABLE 1 – AUTHORITY STAFF CHARGE OUT RATES

Employee Wage Rate	Standard	Overtime
Director of Engineering	\$132	NA
Assistant Director of Engineering	\$85	NA
Project Engineer	\$85	NA
Controls Engineer	\$85	NA
GIS Specialist	\$55	\$69
Administrative Associate	\$62	\$76

4. The Town shall provide the reasonable support services of its attorney, Staff, Town Clerk and other staff as appropriate to assist in implementing the project and shall assign a person as point of contact with the Authority.
5. Authority staff will offer opinions to the owner and the engineers regarding subcontracted services. Authority staff will not direct the engineers or other subcontractors.
6. The Authority shall carry general public liability insurance with respect to its performance of this contract in amounts and coverage maintained on its general operations.
7. The Town will at all times indemnify and save harmless the Authority against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss damage or injury to persons or property resulting in any manner from the operation of this Agreement.
8. The Authority will at all times indemnify and save harmless the Town against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to persons or property resulting in any manner from the

intentional or negligent actions or omissions of the Authority, its officers, employees or agents in connection with the operation of this Agreement.

9. The Authority shall use reasonable diligence to provide the services herein required, but shall not be liable to the Town for damages, breach of contract, or otherwise, for failure, suspension, diminution, or other variations of service occasioned by any cause beyond the control of the Authority. The Town will not be liable in the event of a breach beyond their control. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, riots, strikes, civil disturbance, quarantine, restrictions, or inability to obtain equipment or supplies.
10. All accounts, reports and other records generated by the Authority or required under this Agreement, in the performance hereof, shall be open to inspection and audit at all reasonable times by the Town. Such records shall be retained by the Authority for a minimum of seven years following the expiration or earlier termination of this Agreement or an extended agreement.
11. The parties acknowledge that the Authority has undertaken and may undertake various projects unrelated to this Agreement. It is the intent of the parties that this Agreement, the service provided hereunder and all payments, accounts receivable and equipment resulting from or required by such service shall be separate from and independent of all unrelated projects and activities of the Authority. The Town shall have no right to, or claim upon, the assets, insurance proceeds or income of the Authority other than those associated with the performance of this Agreement, in satisfaction of any claim by the Town arising hereunder. A similar restrictive clause is contained and will be provided in all service agreements made by the Authority with others.
12. The Authority is an independent contractor with the Town and this Agreement does not create and shall not be construed as creating a relationship of principal and agent, landlord and tenant, or employer and employee.
13. No waiver by Town or Authority of any breach of any term, covenant or condition contained in this Agreement shall operate as a waiver of such term, covenant or condition itself, or of any subsequent breach thereof.
14. This Agreement shall be construed and enforced in accordance with the laws of the State of New York. If any provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall continue to be valid and enforceable to the fullest extent permitted by law.
15. This Agreement contains the entire agreement of the parties and may be modified or amended only by the written mutual agreement of the parties.

16. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if sent by certified or registered mail, return receipt requested, postage prepaid.

All of the above is established by the signatures of the authorized representatives of the parties.

DEVELOPMENT AUTHORITY  
OF THE NORTH COUNTRY

TOWN OF TUPPER LAKE

By: \_\_\_\_\_

By: \_\_\_\_\_

Carl E. Farone, Jr.  
Executive Director

Patricia Littlefield  
Supervisor

ACKNOWLEDGEMENTS

STATE OF NEW YORK        )  
  ) ss:  
COUNTY OF FRANKLIN     )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me personally came Patricia Littlefield, who being duly sworn, did dispose and says that she resides in Tupper Lake, New York; that she is the Supervisor of the Town described herein, and which executed the foregoing instrument; and that she signed his name thereto by order of said Town.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF NEW YORK        )  
  ) ss:  
COUNTY OF JEFFERSON    )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me personally came Carl E. Farone, Jr., who being duly sworn, did dispose and says that he resides in Watertown, New York; that he is the Executive Director of the Development Authority of the North Country, the Authority described herein, and which executed the foregoing instrument; and that he signed his name thereto by order of said Authority.

\_\_\_\_\_  
NOTARY PUBLIC



**Board Resolution No. 2021-06-92**  
**June 24, 2021**

**WATER QUALITY MANAGEMENT ARMY SEWER LINE  
FY2021-2022 CAPITAL BUDGET AMENDMENT**

Whereas, the Development Authority of the North Country adopted a Fiscal Year 2021-2022 Water Quality Management Budget pursuant to **Resolution No. 2021-02-44**, and Fiscal Year 2020-2021 Water Quality Management Budget pursuant to **Resolution No. 2020-03-25**, and

Whereas, the Resolutions authorized a total of \$240,000 for Warneck Pump Station (WPS) Heating, Ventilation, and Air Conditioning (HVAC) Evaluation/Design and Improvements to address the design and replacement of equipment that is at the end of its useful life and critical to the safe and environmentally sustainable operation of the Authority's sewage pump station that receives wastewater generated by Fort Drum, the Towns of Champion, LeRay, Pamelaia, and Rutland, and the Village of Black River, and

Whereas, the project was bid in accordance with New York State and Authority procurement policies and two bids were received, and

Whereas, the lowest responsive and responsible bidder submitted a bid of \$381,780, increasing the total project costs to \$435,000, and

Whereas, our consulting engineer, Jade Stone Engineering, has reviewed bid results and believes that the increased construction costs is a result of impacts of the COVID-19 pandemic on equipment and material costs, and a shortage of contractors to meet increased demand, and

Whereas, delaying the project until next fiscal year is not anticipated to result in lower costs due to uncertainty in material/equipment and labor costs, and anticipated increases in repair costs as a result of equipment breakdowns.

Now, therefore be it

**RESOLVED**, that the Authority herewith authorizes the Chief Financial Officer to increase Capital Project 41060 (WPS HVAC Evaluation/Design and Improvements) from \$240,000 to \$435,000.



**Board Resolution No. 2021-06-93**  
**June 24, 2021**

**AUTHORIZED PROFESSIONAL SERVICE CONTRACT**  
**OSMOSE UTILITY SERVICE**

Whereas, the Development Authority Board of Directors annually approves a resolution Authorizing Professional Service Contracts where special expertise, skills, or knowledge are required, with **Resolution No. 2021-03-58** being the most recent resolution authorizing such contracts, and

Whereas, in order to obtain licenses from pole owners the Telecommunications Division is required to undergo a “Make-Ready” process to understand the requirements in order to legally attach to a utility pole, and

Whereas, National Grid, one of the pole owners, has recently changed the “make-ready” process required to obtain the license allowing the Development Authority to use a “directed application”, and

Whereas, the directed application allows the Development Authority to directly hire a National Grid approved engineering firm tasked with performing the engineering review as part of the make-ready process, and

Whereas, National Grid has further recommended that the use of Osmose Utility Service as the engineering firm will allow for an efficient make-ready survey process, and

Whereas, the Development Authority has evaluated the pricing supplied by Osmose Utility Service and deems them consistent with other National Grid approved engineering firms.

Now, therefore, be it

**RESOLVED, that the Development Authority of the North Country Board of Directors does hereby authorize Osmose Utility Service as professional services contract.**



**Board Resolution No. 2021-06-94**  
**June 24, 2021**

**AFFORDABLE RENTAL HOUSING PROGRAM**  
**DGL PROPERTIES LLC (TO BE FORMED)**  
**LOAN**

Whereas, DGL Properties LLC (“DGL”), a new corporation to be formed, is requesting a loan of \$1,000,000 for construction financing to be converted to permanent financing upon completion of the substantial rehabilitation of 118 units of affordable rental housing in the villages of Gouverneur and Lowville, and

Whereas, DGL will be acquiring and rehabilitating units at the Woodcreek Villages in Gouverneur and The Bateman in Lowville, and

Whereas, in acquiring The Batman, DGL is asking to assume the Authority’s outstanding loans, and

Whereas, DGL will continue to pay the regular payments on The Bateman loans until the conversion to permanent financing when the rate and term will change per the attached Term Sheet, and

Whereas, the project will have a significant impact on the properties and the communities.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, Development Authority of the North Country does hereby approve a loan of \$1,000,000 to DGL Properties, LLC (to be formed) from the Affordable Rental Housing Program subject to the terms and conditions in the attached Term Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary, and be it further**

**RESOLVED, the Development Authority of the North Country does hereby authorize the assumption of the existing loans of Conifer Bateman Associates to DGL Properties, LLC (to be formed) subject to the terms and conditions in the attached Term Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary, and be it further**

**RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.**

## TERM SHEET

<b>BORROWER:</b>	DGL Properties, LLC (to be formed) and Gouverneur Lowville Housing Development Fund Corp (to be formed)
<b>AMOUNT: NEW</b>	\$1,000,000 construction loan converted to permanent upon completion of construction
<b>AMOUNT: EXISTING</b>	approximately \$740,000 at 09/2023; currently \$837,143 [amount will be adjusted at permanent loan closing]
<b>FUND:</b>	Affordable Rental Housing Program
<b>PURPOSE:</b>	Improvements to The Bateman and Woodcreek Villages
<b>CONSTRUCTION LOAN:</b>	\$1 million construction loan at 1%, interest only paid monthly during construction period
<b>EXISTING LOANS:</b>	\$1,000 monthly principal and interest at 1% during construction period
<b>CONVERSION TO PERMANENT:</b>	At conversion to permanent financing, the two loans are consolidated into one loan at .5% for 30 years with annual interest only payments due on 12/31
<b>COLLATERAL:</b>	Co-proportional second mortgage with approximately \$5,842,786 in NYS Housing Finance Agency sub debt on 7574 S. State Street, Lowville, NY 13367 and 1100 Larch Circle, Gouverneur, NY 13642; Assignment of Rents and Leases
<b>GUARANTORS:</b>	None
<b>CONDITIONS:</b>	\$100,000 at conversion to permanent financing to pay-down existing Authority loans. 1% processing fee paid on \$1,000,000 due at construction loan closing 1% processing fee paid on refinanced amount due at permanent loan closing All required permits and approvals Proof of all funding commitments DANC will accept the state's regulatory agreement for affordability in lieu of its own recorded regulatory agreement Copy of appraisals Support letter from community

**AFFORDABLE RENTAL HOUSING PROGRAM**

**BORROWER:** DGL Properties LLC (new corp to be formed) Gouverneur Lowville Housing Development Fund Corp.

**BORROWER ADDRESS:** 1950 Brighton Henrietta Townline Road, Rochester, NY 14623

**PROJECT LOCATIONS:** The Bateman, 7574 S. State Street, Lowville, NY 13367  
Woodcreek Village, 1100 Larch Circle, Gouverneur, NY 13642

**OWNERSHIP:** DGL Properties LLC  
DGL Properties MM LLC-.01%  
LIHTC Investor (Raymond James)-99.99%

Gouverneur Lowville HDF Corp.  
BREDC-100% (Baldwin Real Estate Development Corp)  
BREDC-John DiMarco II 33.33%, Joel DiMarco 33.33%,  
Ten D's LLC, 33.33%)

**NEW AMOUNT:** \$1,000,000

**EXISTING AMOUNT:** \$767,143.69 + \$70,000 (as of 6/10/2021)-ARHP

**TERM:** Construction loan to convert to permanent loan with term of 30 years

**RATE:** 1%-Construction  
.5%-Permanent

**CONSTRUCTION PAYMENTS:** Monthly interest payments

**PERMANENT PAYMENTS:** Annual interest-only due 12/31

**COLLATERAL:** Co-proportional second mortgage position on real estate

**USE OF FUNDS:** Improvements to facilities

**SOURCES OF FUNDS**

Development Authority-New	\$1,000,000.00
Development Authority-Existing*	\$ 740,000.00
HFA/SONYMA	\$3,605,000.00
HCR-Homes for Working Families	\$3,092,786.00
HCR-MPP	\$2,610,000.00
HCR-CIF	\$ 140,000.00
Federal Low Income Tax Credits	\$6,996,533.00
Federal Historic Tax Credits	\$ 417,681.00
Deferred Developers Fee	<u>\$ 940,543.00</u>
Total Sources	\$19,542,543.00

**USES OF FUNDS**

Acquisition Costs	\$5,457,487.00
Hard Construction	\$8,802,675.00
Soft Costs	\$2,530,189.00
Capitalized Reserves	\$ 352,192.00
Developer Fee	\$2,400,000.00
Total Uses	<u>\$19,542,543.</u>

## AFFORDABLE RENTAL HOUSING PROGRAM

\*DANC Existing-This amount is subject to change based upon outstanding balance at permanent loan closing which may not occur until 09/2023. Borrower would continue to make monthly principal and interest payments of \$1,000 under permanent loan closing. They will also pay-down the outstanding balance by \$100,000 at the permanent loan closing.

HCR-Homes for Working Families-.5% for 30 years interest only

HCR-Multifamily Preservation Program-.5% for 30 years interest only

HCR-Community Investment Fund-.5% for 30 years interest only

### PROJECT:

DGL Properties, LLC, to be formed, (“DGL”), is acquiring Conifer Bateman Associates (“the Bateman”) and DC Gouverneur Associates (“Woodcreek Village”), the former 801 housing project, and combining the two properties into one LLC. They will also be forming a Housing Development Fund Company that will hold the properties. DGL Properties is requesting that the Authority provide a \$1 million construction loan to be converted to permanent financing upon completion of construction, and to refinance its existing loans on the Bateman for an additional 30 years at .5%. The developer is Baldwin Real Estate Development Corporation (BREDC).

The projects in total currently have 120 residential units. However upon completion of this project there will be 118. There are 24 at The Bateman and there will be 94 at Woodcreek Village. Both properties are currently multifamily housing projects managed by Baldwin Real Estate Corporation.

- **The Bateman**, which is currently an affordable family project, has 24 apartments in one large street-front building in the heart of the Village of Lowville. The project has 3 studios, 18 one bedrooms, and 3 two bedrooms totaling 13,258 square feet. The building also features four occupied, small commercial storefront spaces totaling 4,186 square feet.
- **Woodcreek** currently has 30 buildings with 96 units. However, the IPNA (integrated physical needs assessment) determined that one building, currently off-line, is not salvageable. This will be demolished. The resulting complex will be comprised of 29 buildings totaling 94 apartments in this family apartment community. The unit mix is 60 two-bedroom and 12 three-bedroom garden apartments, 8 three-bedroom townhomes, and 14 four-bedroom townhomes totaling 84,949 square feet. The project has no commercial space, but does have a community.



Substantial renovations are proposed for both projects. They are estimating \$75,000 per unit for residential hard construction costs, or \$75.81 per square foot. The following outlines the big-ticket items.

## AFFORDABLE RENTAL HOUSING PROGRAM

Both projects will receive the following:

1. New kitchen cabinets, sink, faucet and flooring
2. All Appliances – Refrigerator and range
3. New bathroom vanity, mirror, sink, faucets, toilet, flooring and other accessories
4. All interior lighting will be upgraded to LED fixtures and/or lamps
5. Windows (SHPO is approving the window style at Bateman and standard single hung at Woodcreek)

Bateman/Lowville:

1. New flat roof with added insulation
2. Brick repair and repointing
3. Store front facade repaired and painted/per SHPO requirements
4. Common area hallway carpet
5. Laundry room upgrades
6. Heating system - control valves/regulators replaced
7. Elevator upgrades

Woodcreek/Gouverneur:

1. Vinyl siding
2. Entrance doors (3/apartment) and hardware
3. Site work:
  - Roads and driveways repaired and resurfaced
  - Some gutters and sidewalks re-installed
  - New mailbox cluster
  - Upgrades to pump house
  - Upgrades to play surfaces
  - Exterior lighting
4. ADA/Fully accessible units (6)
5. New boilers (based board heat) and DH water heaters
6. Concrete block repairs and repointing.

Woodcreek Village will be acquired for the existing debt only of \$4,692,000 or \$48,875 per unit based on the large size of the units, which also have attached garages and are currently considered market rate units. No cash will be paid out to the existing owners.

The Bateman has existing DANC loans totaling an estimated \$851,000 of which \$100,000 on the principal will be paid down at permanent closing and the balance will be assumed. The cash portion of the acquisition price for The Bateman is \$110,000 and is an arms-length transaction that minimally recognizes the value of the rented commercial spaces. The 4,186 square feet of commercial space will receive moderate improvements as well, funded with Community Investment Funds that are matched by Historic Rehabilitation Tax Credit equity and Deferred Developer Fee.

### **Project Impact**

## AFFORDABLE RENTAL HOUSING PROGRAM

- The capital improvements will generate over 75 construction jobs and extend the useful life of Bateman as affordable housing for the next 30 years, while creating 94 newly regulated affordable family units at Woodcreek.
- Both the Bateman and Woodcreek will install energy efficiency improvements that will decrease energy usage, which benefits the property, the residents, and the larger community.
- ADA modifications to 6 units at Woodcreek will create fully accessible apartments for persons in need of these features and 3 HVI units.
- There is a need for additional State investment in the North Country region and this Project provides a viable opportunity for State investment.
- Upon completion, 61 units, or 52%, will be at or below 50% area median income, 33 units, or 29%, will be at or below 60% area median income, and 23 units, or 20%, will be at or below 80% area median income. They feel about 70-85% of the existing tenants at Woodcreek will still be eligible for the housing, however this will not be verified until the third party income verification/certification process is completed.
- A tenant relocation plan has been drafted and is being reviewed by Homes and Community Renewal (HCR). BREDC will provide a common space for tenants to aggregate during the day. Construction in units will occur during the day when the tenant is not in the unit. The tenant can return to the unit at night. If the tenant cannot return to the space, they have a temporary location for living purposes.

### Highlights of the Deal

- This project has federal low-income housing tax credits and tax-exempt bond financing. The tax credits will be syndicated through Raymond James, and the Letter of Credit provider will be M&T Bank. The LIHC are anticipated to generate nearly \$7 million in equity, and the federal historic credits will generate over \$417,000. Per our discussions with BREDC, the price on LIHTC right now is around \$.85. This is relatively low. Part of the lower pricing is due to the Tax Cuts and Jobs Act of 2017 which lowered corporate tax rates. The applicable percentage rate for the 4% credit is around 3.15%. All of this means that the amount of money raised by an investor with a tax credit project is less than what it would be if the price of the credit were around \$1. This leaves a gap in the project funding. The state is currently filling these gaps with its other affordable housing programs while offering sub-market interest rates of .5%. This package will entice developers to make the investment in affordable housing that they would have otherwise passed on because the rate of return is not there.
- The other reason for the .5% interest rate is the pro-forma and the debt service coverage ratio. The tax exempt bondholder, SONYMA, requires a 1.05 Income to Expense ratio to lend. Under the current proforma, the Income to Expense ratio for SONYMA is 1.07 for the first 6 years. There is no room in the proforma to take on higher interest rates in the subordinate debt and still get fixed interest payments. In the past, these would have been cash flow based payments and we would likely not have received any payments.
- In addition to the State resources, BREDC will defer a portion of its developer fee to complete the financing plan. Because this is a tax credit deal, the developer's fee is prescribed by HFA. The allowable Developer Fee for this project based on HFA calculations is \$2.4MM. BREDC will defer \$940,000 (or nearly 40%), or put this amount back into the project. HFA states that this must be paid off from excess cash

## AFFORDABLE RENTAL HOUSING PROGRAM

within 15 years from permanent financing. The tax credit program also sets a limit for the amount of developer fee that can be deferred. BREDC is at its limit for deferring the developer fee.

- DANC would normally charge 1% for a loan like this in the past, HOWEVER it would have been based upon excess cash flow. The excess cash flow calculation means that we would get paid after SONYMA and the other state programs, AND after the deferred developer fee is paid which may take 15 years. This would mean that interest would be accruing for possibly 15 years. In the scenario we are getting a slightly lower interest rate at .5% but getting a fixed interest payment annually.

### FINANCIALS:

#### Conifer Bateman

	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>4/31/2021</u>
Rental Income	\$146,792	\$141,540	\$149,685	\$49,932
Commercial Income	\$25,181	\$23,695	\$23,331	\$8,555
Interest Income	\$0	\$0	\$0	\$0
Other Income	\$8,741	\$4,115	\$4,850	\$2,645
Total Operating Revenue	\$180,714	\$169,350	\$177,866	\$61,132
<i>Expenses</i>				
Administrative & Management	\$57,429	\$55,456	\$55,891	\$19,292
Utilities	\$26,819	\$23,450	\$22,595	\$7,578
Repairs & Maintenance	\$49,206	\$48,512	\$42,770	\$18,131
Taxes & Insurance	\$36,151	\$38,434	\$32,237	\$9,070
Reserve	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,174</u>
Total Operating Expenses	\$169,605	\$165,852	\$153,493	\$55,245
Operating Income Before Depreciation	\$11,109	\$3,498	\$24,373	\$5,887
Depreciation	(\$88,307)	(\$88,339)	(\$24,624)	(\$29,436)
Other Income (Expense)	(\$10,650)	(\$9,937)	(\$9,217)	(\$3,301)
Net Loss	(\$87,848)	(\$94,778)	(\$9,468)	(\$26,850)

- 2018-2020 from audited financials, 2021 information internally prepared.
- As of 6/1/2021 the property had 0 vacancies. Rents for the one bedroom were \$525 and Rents for the two bedroom were \$589. Commercial units are now full.
- For 2020, administrative and management included office payroll, \$22,284, management fees, \$10,703, office expenses, \$7,749, and legal and accounting, \$7,512. Office payroll was \$21,169 and \$20,809 in 2019 and 2018 respectively. The management fees were \$10,154 and \$10,818 in 2019 and 2018 respectively.

## AFFORDABLE RENTAL HOUSING PROGRAM

- Property taxes were \$6,086, \$7,076, and \$5,643 for 2020, 2019, and 2018 respectively. DGL will not be requesting a PILOT but will use the 581(a) law that is on the books for affordable housing projects.
- Repairs and maintenance were \$14,191, \$23,130, and \$25,380 for 2020, 2019, and 2018 respectively. This shows that the owner has been investing in routine repairs and maintenance but that the property is ready for an overhaul.

### Balance Sheet-Conifer Bateman

	2018	2019	2020	4/2021
Current Assets	32,959	19,340	34,725	40,189
Fixed Assets	163,375	98,203	79,050	258,806
Other Assets	10,123	10,002	2,774	0
Total Assets	206,457	127,545	116,549	298,995
Current Liabilities	241,010	264,481	266,113	225,198
Long Term Liabilities	857,575	849,970	846,810	887,829
Total Liabilities	1,098,585	1,114,451	1,112,923	1,113,027
Equity	(892,128)	(986,906)	(996,374)	(814,032)
Total Liabilities and Equity	206,457	127,545	116,549	298,995

- The project was placed in service in 1992. It utilized federal low income housing tax credits from the Authority. It is currently in the extended use period of the regulatory agreement. The project also received a loan of \$1.1 million from the Authority for the renovations and an additional \$70,000 for an elevator project. Those loans are paid down to around \$840,000 today. As you can see, the useful life of the asset is close to being fully depreciated.
- The current liabilities includes an advance payable to C.O.F. Inc. of \$166,400. They also have a due to Conifer Development of \$77,354 which is comprised of a local administrative fee payable from cash flow of \$34,000 and advances payable of \$43,354 that are non-interest bearing. Upon the sale of the property, all of these payables will go away.
- Long term debt is comprised of the loans to the Authority. They did make an excess cash flow payment for 2020 in 2021.

### DC Gouverneur Associates LLC

	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>4/31/2021</u>
Rental Income	\$724,809	\$687,074	\$688,161	\$254,644
Other Income	<u>\$45,756</u>	<u>\$53,389</u>	<u>\$42,431</u>	<u>\$15,251</u>
Total Operating Revenue	\$770,565	\$740,463	\$730,592	\$269,895

## AFFORDABLE RENTAL HOUSING PROGRAM

### *Expenses*

Administrative & Management	\$226,099	\$249,381	\$132,585	\$35,125
Utilities	\$77,028	\$84,968	\$80,548	\$20,754
Repairs & Maintenance	\$98,953	\$93,501	\$176,900	\$57,699
Taxes & Insurance	\$132,367	\$85,486	\$135,150	\$45,692
Replacement Reserve	<u>\$28,701</u>	<u>\$35,211</u>	<u>\$54,143</u>	<u>\$14,374</u>
Total Operating Expenses	\$563,148	\$548,547	\$579,326	\$173,644
Net Operating Income	\$207,417	\$191,916	\$151,266	\$96,251
Depreciation	(\$37,104)	(\$25,756)	(\$25,756)	(\$8,585)
Interest Expense	(\$227,529)	(\$230,499)	(\$206,650)	(\$67,295)
Other Income (Expense)	\$19	\$14	\$13	\$2
Net Loss	(\$57,197)	(\$64,325)	(\$81,127)	\$20,373

- Financial statements for 2018-2021 were internally prepared.
- Current rents average \$670 for the two-bedroom units, \$805 for the three-bedroom lower units, \$824 for the three-bedroom upper units, \$929 for the three-bedroom townhouse units, and \$1,068 for the four-bedroom townhouse units. They are at 90% occupancy. They currently have vacancies in their two-bedroom units and one four-bedroom townhouse.
- Creekwood Village does not have commercial space. It does have a community center. Other income includes primarily pet income, damage and cleaning fees. These two items totaled \$35,782 in 2020 and \$28,528 in 2019.
- The largest expense under administrative and management was co-op agreement fee which went away in 2020. In 2018 and 2019 respectively they paid \$165,557 and \$191,909. This is why Administrative & Management declined in 2020. They also started charging for office salaries in 2020 which amounted to \$36,914 including payroll taxes and benefits.
- Repairs and maintenance increased in 2020 as they added maintenance salaries and associated expenses/benefits of \$107,232. Repairs and maintenance accounted for \$8,475, \$33,094, and \$31,927 in 2020, 2019, and 2018 respectively.
- Property taxes were \$101,600 in 2020, \$69,584 in 2019, and \$101,805 in 2018. Again, they are not requesting a PILOT, however this property will go from being market rate to affordable and may have an impact on the taxes that the communities receive.

### Balance Sheet-DC Gouverneur Associates LLC

	2018	2019	2020	4/2021
Current Assets	115,490	114,218	119,589	126,320
Fixed Assets	623,360	613,385	594,230	578,665
Other Assets	32,456	25,855	19,254	17,053
Total Assets	771,306	753,458	773,073	722,038
Current Liabilities	40,182	38,059	25,777	35,016

## AFFORDABLE RENTAL HOUSING PROGRAM

Long Term Liabilities	6,664,565	6,718,408	6,786,191	6,754,726
Total Liabilities	6,704,747	6,756,467	6,811,968	6,789,742
Equity	(5,933,441)	(6,003,009)	(6,078,896)	(6,067,704)
Total Liabilities and Equity	771,306	753,458	733,072	722,038

- The majority of current assets are in prepaids and escrows/security deposits. Prepaids were \$37,810 and \$41,554 in 2020 and 2019 respectively. Escrows/Security Deposits were \$68,470 and \$51,012 in 2020 and 2019 respectively.
- Other assets were for deferred costs associated with amortized mortgage costs.
- Current liabilities were primarily for tenant security deposits and accrued interest. Tenant security deposits were \$30,490 in 2020 and \$26,915 in 2019. Accrued interest was \$17,481 in both 2020 and 2019.
- Long term debt included due from affiliates of \$2,202,634 in 2020 and \$2,033,358 in 2019. It also included \$4,553,067 in mortgage payable in 2020 and \$4,656,654 in 2019. The acquisition includes taking out the mortgage. The due from affiliates will go away.

### DGL Properties, LLC Projections-

	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Residential Rental Income	\$945,926	\$964,845	\$984,142
Commercial Income	\$22,648	\$23,101	\$23,563
Other Income	<u>\$29,408</u>	<u>\$29,996</u>	<u>\$30,596</u>
Total Operating Revenue	\$997,982	\$1,017,942	\$1,038,301
<i>Expenses</i>			
Operating Expenses	\$589,830	\$607,525	\$625,751
Management Fees	<u>\$58,495</u>	<u>\$59,665</u>	<u>\$60,858</u>
Total Operating Expenses	\$648,325	\$667,190	\$686,609
Replacement Reserves	\$36,000	\$37,080	\$38,192
Net Operating Income	\$313,657	\$313,672	\$313,500
First Mortgage Debt	\$206,530	\$206,530	\$206,530
Subsidy Debt:			
HCR #1	\$15,464	\$15,464	\$15,464
HCR #2	\$13,050	\$13,050	\$13,050
HCR #3	\$700	\$700	\$700
DANC	<u>\$8,699</u>	<u>\$8,699</u>	<u>\$8,699</u>
Total Debt:	\$244,443	\$244,443	\$244,443
DSC Ratio	1.28	1.28	1.28

## AFFORDABLE RENTAL HOUSING PROGRAM

- Below is a breakdown of proposed rents per project:
  - Bateman
 

	Net Monthly Rent	AMI
▪ Studio	\$422	50%
▪ 1 BR	\$525	50%
▪ 2 BR	\$589	50%
▪ 1 BR	\$525	60%
  - Woodcreek
 

▪ 2 BR	\$646	50%
▪ 3 BR	\$747	50%
▪ 4 BR	\$831	50%
▪ 2 BR	\$820	60%
▪ 3 BR	\$770/\$825	60%
▪ 4 BR	\$895	60%
▪ 2 BR	\$820	80%
▪ 3 BR	\$950/\$1,025	80%
▪ 4 BR	\$1,125	80%
- They are projected 95% occupancy in their projections for the residential units and 90% occupancy for the commercial space. They are increasing revenues by 2% annually.
- They are projecting administrative expenses of \$114,150 in year one to include a site manager (\$65,000). Repairs and maintenance should go down as all of the units have been newly renovated. Taxes are projected to be \$95,000 which is less than the \$107,686 for the two projects in 2020.
- The proforma includes funding a replacement reserve as well.
- Based upon the projections, there is sufficient cashflow to repay the debt.

### Balance Sheet-DGL Properties LLC

	At Closing
Current Assets	\$2,752,192
Fixed Assets	\$14,260,162
Other Assets	\$2,530,189
<b>Total Assets</b>	<b>\$19,542,543</b>
Current Liabilities	\$1,522,942
Long Term Liabilities	\$12,064,844
<b>Total Liabilities</b>	<b>\$13,587,786</b>
Equity	\$5,954,757
<b>Total Liabilities &amp; Equity</b>	<b>\$19,542,543</b>

- Current assets include the capitalized reserves and developer fees. The developer fees are offset under current liabilities in the amount of \$1,459,457, as this will be due to the developer, BREDC, at closing, and under long-term liabilities in the amount of \$940,543

## AFFORDABLE RENTAL HOUSING PROGRAM

as this will be the deferred amount that will need to be repaid from excess cash flow over 15 years. The reserves are restricted.

- Fixed assets are based upon the acquisition and improvements to the facilities. Other assets are the soft costs that ultimately will be amortized.
- Current liabilities include the developers fee due immediately to the developer and the current portion of long term debt.
- Long term liabilities includes all debt.
- Equity includes the LIHTC and historic tax credits less the developer’s fee paid to the developer.

### COLLATERAL ANALYSIS:

	Market Value	Discount
Woodcreek Village	\$2,755,710	
Discounted @ 70%		\$1,928,997
Bateman	\$225,000	
Discounted @ 70%		\$157,500
Improvements	\$8,802,675	
Discounted @ 70%		\$6,161,873
Total Collateral	\$11,783,385	\$8,248,370
HFA/SONYMA	\$3,605,000	\$3,605,000
Collateral Available	\$8,178,385	\$4,643,370
Other Lenders/DANC	\$7,582,786	\$7,582,786
LTV	.93	1.63

Market value from the County’s tax records. Improvements totaling \$8,802,675 added to valuation. With the improvements, there would be sufficient loan to value to cover the Authority’s loan in a co-proportional second mortgage with the other state lenders. It should be noted that these properties will be valued as affordable housing projects which typically have lower valuations. From personal experience underwriting affordable housing projects, the appraisal seldom substantiates the value with the investment as identified above, however we will request copies of the appraisals.

### CONDITIONS:

- \$100,000 payment toward outstanding principal balances at conversion to permanent financing.
- 1% processing fee paid on \$1,000,000 due at construction loan closing.
- 1% processing fee paid on refinanced amount due at permanent loan closing.
- All required permits and approvals
- Copy of appraisals
- Letter of support from the community

## **AFFORDABLE RENTAL HOUSING PROGRAM**

### **STAFF RECOMMENDATION:**

Staff recommends a construction loan of \$1,000,000 at 1% monthly interest-only payments on the outstanding balance to convert to a permanent loan for 30 years at .5% with interest only payments due on 12/31 annually. Staff recommends that the existing loan to Bateman Associates be assumed by DGL Properties, LLC. They will continue to make regular principal and interest payments of \$1,000 monthly. The loan will be consolidated with the \$1,000,000 loan at conversion to permanent financing and will be for 30 years at .5%. The loan is subject to the terms and conditions above.



**Board Resolution No. 2021-06-95**  
**June 24, 2021**

**ECONOMIC DEVELOPMENT FUND**  
**JEFFERSON COUNTY HISTORICAL SOCIETY**  
**BRIDGE FINANCING LOAN #2**

Whereas, the Jefferson County Historical Society is requesting up to \$285,000 in short-term financing to bridge New York State grants for its roof replacement and elevator projects, and

Whereas, **Resolution No. 2019-03-42** previously approved a line-of-credit of up to \$125,000 to the Historical Society for predevelopment costs associated with environmental and the architect/engineer in order to bid the projects, and

Whereas, the Historical Society has received grant funding through the Downtown Revitalization Initiative, North Country Regional Economic Development Council, and Senator Ritchie, and

Whereas, the Historical Society must spend the funds first before they can submit for reimbursement, and

Whereas, the Watertown Local Development Corporation is considering a like amount for construction funding of \$285,000 at a similar rate and term, and

Whereas, if funded, the Watertown Local Development Corporation has asked the Authority to be the lead lender which will be formalized in a participation agreement, and

Whereas, the Authority will also be considering a grant/loan through the North Country Redevelopment Loan Fund, and

Whereas, this is consistent with the Authority's use of funds from the Economic Development Fund to bridge New York State Grants.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED**, the Development Authority of the North Country does hereby authorize a loan from the Economic Development Fund in an amount up to \$285,000 to the Jefferson County Historical Society at the terms and conditions outlined in the attached Term Sheet, and authorizes the Executive Director or Chief Financial Officer to execute all appropriate documents necessary to make the loan, and therefore be it

**RESOLVED**, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

## TERM SHEET

Borrower:	Jefferson County Historical Society
Loan Fund:	Economic Development Fund
Loan Amount:	up to \$285,000.00
Term:	24 months, or upon receipt of the final grant funds, whichever occurs first
Rate:	1.5%, construction interest-only
Payment:	Monthly interest-only
Collateral:	Assignment of grant proceeds
Conditions:	Watertown Local Development financing of \$285,000



**ADMINISTRATION and REGIONAL DEVELOPMENT DIVISION**

Dulles State Office Building • 317 Washington Street, Suite 414 • Watertown, New York 13601 • Telephone (315) 661-3200 • TDD (800) 662-1220

**WATER QUALITY DIVISION**

Warneck Pump Station  
23557 NYS Route 37  
Watertown, New York 13601

Telephone (315) 661-3210  
Emergency Telephone (315) 786-4000

**TELECOMMUNICATIONS DIVISION**

Dulles State Office Building  
317 Washington Street, Suite 406  
Watertown, New York 13601

Telephone (315) 661-3200  
Emergency Telephone (866) 669-3262

**MATERIALS MANAGEMENT DIVISION**

Solid Waste Management Facility  
23400 NYS Route 177  
Rodman, New York 13682

Telephone (315) 661-3230

**ENGINEERING DIVISION**

Warneck Pump Station  
23557 NYS Route 37  
Watertown, New York 13601

Telephone (315) 661-3210

**APPLICANT:** Jefferson County Historical Society

**LOCATION:** 228 Washington Street, Watertown, NY 13601

**BOARD OF DIRECTORS:** Lisa L’Huillier Ruggiero, President  
Stephen Bolton, Vice President  
Robert Aiken, Treasurer  
Suzanne Renzi-Falge, Secretary  
Margaret Bootie, Francee Calarco, Thomas Catalano,  
Deborah Gillan, Edward Smalls, George Smith II,  
Emily E. Soderquist

**EXECUTIVE DIRECTOR:** Toni Engleman, Interim

**FUNDING REQUEST:** up to \$570,000.00 (\$285,000 DANC/\$285,000 WLDC)  
construction line of credit

**LOAN FUND:** Economic Development Fund

**TERM:** 24 months, or upon receipt of the final grant funds,  
whichever occurs first

**INTEREST RATE:** 1.5%, construction interest-only payments monthly

**USE OF FUNDS:** Bridge NYS Grant funding

**COLLATERAL:** Assignment of proceeds from NYS Grants

**EMPLOYEES:** 1 Full-time; 1 Part-time

Sources of Funds		Uses of Funds	
DRI Grant	\$506,600	Elevator	\$514,500
CCAP Grant	\$125,000	Roof	\$607,500
SAM Grant	\$50,000	Exhibits	\$96,600
EPF Grant	\$500,000	Soft Costs*	\$193,000
DANC Redevelopment Fund	\$180,000		
Cash	<u>\$50,000</u>		
<b>Total Sources</b>	<b>\$1,411,600</b>	<b>Total Uses</b>	<b><u>\$1,411,600</u></b>



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<b>Grant/Loan</b>	<b>Agency</b>	<b>Amount</b>	<b>Eligible Use</b>	<b>Budget Overview</b>
Downtown Revitalization Initiative (9/21)	NYS Homes & Community Renewal	\$506,600	Elevator/Exhibits	Soft \$75,000, Construction \$335,000 elevator & \$96,600 exhibits
Community Capital Assistance Program (5/22)	Dormitory Authority State of New York	\$125,000	Roof	Soft \$10,000, Construction \$115,000
EPF (12/23)	New York State Parks Recreation & Historic Preservation	\$500,000	Roof	Soft \$49,000, Construction \$451,000
SAM	Dormitory Authority State of New York	\$50,000	Roof	Soft \$5,000, Construction \$45,000
Redevelopment Fund-Grant	DANC	\$90,000	Roof	Construction \$90,000
Redevelopment Fund-Loan	DANC	\$90,000	Roof	Construction \$90,000

**DANC/WLDC Construction Loan Request**

DANC/WLDC are asked to provide construction financing to bridge the NYS grants above. A separate resolution/loan request is being advanced to the DANC board for funding through the North Country Redevelopment Fund. Based upon the draw schedule below, the maximum amount needed by the Historical Society is \$750,000. The current request is for up to \$570,000 from the authority and WLDC split equally between DANC and Watertown Local Development Corporation. DANC has been asked by the WLDC to be the lead lender on this loan. The remaining \$180,000 will be from the Authority's North Country Redevelopment Fund, if approved.

**Draw Schedule**

<b>Pay Period</b>	<b>Date Due</b>	<b>Amount</b>
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It is about a 3-5 month turnaround from the time the draw is submitted to the state until the funds are received. It looks like a maximum line of \$570,000 plus the \$180,000 from the DANC Redevelopment Fund will be sufficient for construction.

DANC/WLDC currently have a loan extended to the Historical Society for \$130,000 split equally between the two agencies. The outstanding balance is \$25,718.22 (\$12,859.11 DANC/\$12,859.11 WLDC). They have one additional draw of about \$17,000 and then will submit for reimbursement to pay-off this loan. Through 5/1/2021 DANC has received \$456.41 in interest on the loan.

### **Background**

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The museum contains both Paddock family and local history exhibits spread throughout three floors and within three outbuildings. The ground floor exhibits of all buildings are handicapped accessible. The Paddock Parlor, Library and Galleries are all located on the first floor of the Paddock Mansion. The sub-floor features the Comparison Kitchen, Parlor Stove, Homespun, and Kinne Waterwheel exhibits. The Kinne Exhibit is believed to be the largest of its kind anywhere, and has been designated a National Landmark by the American Association of Mechanical Engineers. The second floor features the Watertown, Military, Victorian Pastimes, and Victorian Lifestyles exhibits. The outdoor exhibits, open in summer, feature the Early American Barn, Pioneer Cabin, and One-Room Schoolhouse.

### **Project**

The Historical Society was the recent recipient of several grants from NYS. They received \$506,000 through the Downtown Revitalization Initiative, \$500,000 from the North Country Regional Council, \$125,000 through a Capital Grant, and \$50,000 from a grant through Senator Ritchie. These funds are to be used for a roof replacement, elevator, and new displays and technology throughout the facility.

When they bid the elevator work, the bid came in \$180,000 over the estimate. The project includes an exterior four-stop elevator to provide access to all floors of the Paddock Mansion to those with mobility issues as well as minor HVAC improvements and the installation of interactive, modernized exhibit displays.



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This is a transformational project not only for the Historical Society, but for the City as well. The Historical Society operates off of its membership dues, support from the County, donations, admissions and fundraising. They also get lease income for their parking lot. The upgrades to the facility will transform it into an attraction for downtown Watertown. The new and interactive displays will attract a new generation of visitors to the facility. The new elevator will significantly open up the facility to a greater percentage of the population. The roof is in dire need of repair. An article in the Watertown Daily Times on January 26, 2019 reported on a leak in the roof which damaged a few items. These items are now being stored over at the Northern New York Community Center's Philanthropy building.

The Development Authority is partnering with the Watertown Local Development Corporation to provide \$570,000 in construction financing in order for the Historical Society to complete construction. DANC will be the lead lender, meaning that we will close on a Note for up to \$570,000. We will disburse the total funds requested and then invoice the WLDC for their share of the disbursement. We will collect monthly interest payments on behalf of the WLDC and we will submit their portion of the payments to them monthly. All funds received are split equally between the lenders. The arrangement is codified in a participation agreement between the lenders.

In order to gain some technical expertise, the Historical Society has hired Strategic Development Consultants to assist with the grant administration. Strategic Development Consultants provides a level of comfort to the lenders knowing that they are administering the grants on behalf of the Historical Society.

Having met with the Historical Society, myself and Don Rutherford with the WLDC, we feel that this is a very positive project for the Historical Society and for downtown Watertown. Without public assistance from the Authority and WLDC, no public lender will assume the risk associated with these grants, as we have seen with other NYS grant-funded projects.



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With their limited cash resources, we felt that it made more sense for the Historical Society to utilize their cash to pay carrying-costs associated with the financing rather than put toward hard costs at this time.

**Financials**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Support and Revenue	\$152,315	\$154,683	\$124,866
Total Expenses	\$179,423	\$151,052	\$134,333
Change in Net Assets	(\$27,108)	\$3,631	(\$9,467)

- Primary Support and Revenue comes from contributions, \$46,654 in 2019, rental income, \$28,601 in 2019, annual events, \$28,168 in 2019, and membership, \$15,304 in 2019. None of the Support and Revenue had donor restrictions in 2019.
- In 2019, total personnel services totaled \$58,011 down from \$71,061 in 2018. Other major expenses are event expenses associated with fundraising, insurance, utilities, and maintenance.
- The 2020 financial information was internally prepared. In 2020, event income was down \$16,000 from 2019 and contributions were down about \$24,000 both due to Covid. Governmental support from the County remained the same. The 2020 statement also shows a prior period expense of \$35,724.98 on the books. Without this expense, the organization would have had a profit. Payroll was also down to \$31,778 in 2020 primarily due to Covid.

	<b>2018</b>	<b>2019</b>	<b>2020</b>
Current Assets	78,235	70,800	98,275
Property & Equipment, Net	273,790	283,456	314,800
Long Term Assets	0	0	0
Total Assets	352,025	354,256	413,075
Current Liabilities	2,363	1,977	105,683
Long Term Liabilities	0	0	0
Total Liabilities	2,363	1,977	105,683
Net Assets-w/o donor restrictions	324,662	327,279	282,392
Net Assets-w/donor restrictions	25,000	25,000	25,000
Total Net Assets	349,662	352,279	307,392
Total Liabilities & Net Assets	352,025	354,256	413,075



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- Primary current assets are in cash and cash equivalents of \$74,992 in 2019, \$67,557 in 2019, and \$95,032 in 2020.
- Fixed assets in 2020 increased as they began work-in-progress on their capital project.
- Short-term liabilities increased in 2020 due to the outstanding line-of-credit with the Development Authority. This will be paid off in 2021 with proceeds from grants.

### Business Credit:

The Logic Score shows a high risk score of 55. It has no days beyond terms, either current or historical, making it uncertain as to when one might expect payments to be received. It has no derogatory public records or collection accounts. It has two trade lines: Financial Services and Printing/Publishing. Neither of these are carrying balances presently.

**Staff Recommendation:** Staff recommends a construction loan of up to \$570,000 (\$285,000 DANC/\$285,000 WLDC) to the Jefferson County Historical Society for a term of 24 months, or upon receipt of the disbursement from the grant, whichever occurs first. The interest rate will be at 1.5% paid monthly on the outstanding balance. The collateral will be an assignment of the grant proceeds from the Jefferson County Historical Society. The loan is contingent upon funding from the Watertown Local Development Corporation in the amount of \$285,000 at a similar rate and term. DANC will be the lead lender on behalf of the WLDC through a participation agreement.



**Board Resolution No. 2021-06-96**  
**June 24, 2021**

**NORTH COUNTRY REDEVELOPMENT LOAN FUND**  
**JEFFERSON COUNTY HISTORICAL SOCIETY**  
**RATIFYING LOAN AND GRANT**

Whereas, **Resolution No. 2015-08-91** established the North Country Redevelopment Fund, and

Whereas, the Regional Loan Review Committee can make commitments for loans up to \$250,000, and grants up to \$250,000, for a total combined grant/loan amount of \$500,000 with the Authority Board ratifying the request at its next meeting, and

Whereas, the Regional Loan Review Committee met on June 11, 2021 to review an application from the Jefferson County Historical Society, and

Whereas, the Historical Society was awarded funding through the Downtown Revitalization Initiative, Consolidated Funding Application, and from Senator Ritchie to make improvements to the facility at 228 Washington Street, Watertown (Jefferson), and

Whereas, the work for the elevator came in over budget and the Historical Society needs an additional \$180,000 to complete the renovation work, and

Whereas, these funds will be used to assist with the installation of the new elevator that will in turn provide handicapped accessibility throughout the building, and

Whereas, the Regional Loan Committee is recommending a commitment of up to \$180,000, comprised of a \$90,000 loan and a \$90,000 grant consistent with the program guidelines.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED**, the Development Authority of the North Country does hereby ratify the grant/loan commitment in the amount of up to \$180,000 (\$90,000 loan/\$90,000 grant) from the North Country Redevelopment Fund to the Jefferson County Historical Society at the terms and conditions outlined on the attached Term Sheet, consistent with the Empire State Development program requirements and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan, and be it further

**RESOLVED**, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

## TERM SHEET

Borrower: Jefferson County Historical Society

Loan Fund: North Country Redevelopment Fund

Amount: up to \$180,000 (\$90,000 loan/\$90,000 grant)  
*The grant to loan amount will always be 1:1*

Loan Term: 240 months

Loan Rate: 1%

Loan Payment: 12 months interest-only, then monthly principal and interest payments to fully amortize the loan

Collateral: First mortgage on real estate located at 228 Washington Street, parcel no. 10-06-127.00

Guarantors: None

Conditions:

- Owner cash equity of \$50,000 demonstrated with copies of cancelled checks and invoices
- Recapture Provision over 10 years on grant portion
- Copies of invoices and cancelled checks or bank statements
- Loan will be disbursed as construction loan
- WLDC/DANC financing for construction loan portion of the funding



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**APPLICANT:** Jefferson County Historical Society

**LOCATION:** 228 Washington Street, Watertown, NY 13601

**BOARD OF DIRECTORS:** Lisa L’Huillier Ruggiero, President  
Stephen Bolton, Vice President  
Robert Aiken, Treasurer  
Suzanne Renzi-Falge, Secretary  
Margaret Bootie, Francee Calarco, Thomas Catalano,  
Deborah Gillan, Edward Smalls, George Smith II,  
Emily E. Soderquist

**EXECUTIVE DIRECTOR:** Toni Engleman, Interim

**FUNDING REQUEST:** up to \$180,000.00 (\$90,000 Grant/\$90,000 Loan)

**LOAN FUND:** North Country Redevelopment Loan Fund

**TERM:** 240 months

**INTEREST RATE:** 1%, 12 months interest only, then monthly principal and interest payments to amortize over remaining 228 months

**USE OF FUNDS:** Elevator

**COLLATERAL:** First mortgage on facility (parcel #10-06-127.00)

**EMPLOYEES:** 1 Full-time; 1 Part-time

Sources of Funds		Uses of Funds	
DRI Grant	\$506,600	Elevator	\$514,500
CCAP Grant	\$125,000	Roof	\$607,500
SAM Grant	\$50,000	Exhibits	\$96,600
EPF Grant	\$500,000	Soft Costs*	\$193,000
DANC Redevelopment Fund	\$180,000		
Cash	<u>\$50,000</u>		
<b>Total Sources</b>	<b>\$1,411,600</b>	<b>Total Uses</b>	<b><u>\$1,411,600</u></b>



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Redevelopment Fund-Loan	DANC	\$90,000	Roof	Construction \$90,000

**Request**

In the process of bidding the elevator project, the costs came in \$180,000 over budget. This has created a gap in the project. While there are several loan programs that might fill this gap, my concern is that burdening the Historical Society with debt as they are coming out of this construction project and COVID will be detrimental to its ability to succeed in the future. The Redevelopment Fund provides an opportunity to leverage grant funds and a lower debt amount that will be more feasible to the Historical Society while seeing the project to completion. A similar project funded was the Newell Building in Ogdensburg where some rehab work had been completed but additional funds were needed for infrastructure improvements.

DANC is also being asked to provide construction financing to bridge the NYS grants above. A separate resolution/loan request is being advanced to the DANC board for funding through the Economic Development Fund. Based upon the draw schedule below, the maximum amount needed by the Historical Society is \$750,000. The current request for construction funding is for up to \$570,000 from the authority and WLDC split equally between DANC and Watertown Local Development Corporation. DANC has been asked by the WLDC to be the lead lender on this loan.



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**Project**



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Emergency Telephone (866) 669-3262

**MATERIALS MANAGEMENT DIVISION**

Solid Waste Management Facility  
23400 NYS Route 177  
Rodman, New York 13682

Telephone (315) 661-3230

**ENGINEERING DIVISION**

Warneck Pump Station  
23557 NYS Route 37  
Watertown, New York 13601

Telephone (315) 661-3210

In order to gain some technical expertise, the Historical Society has hired Strategic Development Consultants to assist with the grant administration. Strategic Development Consultants provides a level of comfort to the lenders knowing that they are administering the grants on behalf of the Historical Society.

Having met with the Historical Society, myself and Don Rutherford with the WLDC, we feel that this is a very positive project for the Historical Society and for downtown Watertown. Without public assistance from the Authority and WLDC, no public lender will assume the risk associated with these grants, as we have seen with other NYS grant-funded projects.

With their limited cash resources, we felt that it made more sense for the Historical Society to utilize their cash to pay carrying-costs associated with the financing rather than put toward hard costs at this time.

**Financials**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>5/2021</b>
Total Support and Revenue	\$152,315	\$154,683	\$124,866	\$103,121
Total Expenses	\$179,423	\$151,052	\$134,333	\$44,053
Change in Net Assets	(\$27,108)	\$3,631	(\$9,467)	\$59,068
Depreciation	\$9,273	\$9,180		
Add Back: Employee Benefits	\$11,782			
Add Back: Prior Period Expense			\$35,728	
Cash Available for Debt	(\$6,053)	\$12,811	\$26,261	\$59,068
DANC Loan	\$5,203	\$5,203	\$5,203	\$5,203
LTV	(1.16)	2.46	5.05	11.353

- Primary Support and Revenue comes from contributions, \$46,654 in 2019, rental income, \$28,601 in 2019, annual events, \$28,168 in 2019, and membership, \$15,304 in 2019. None of the Support and Revenue had donor restrictions in 2019.
- In 2019, total personnel services totaled \$58,011 down from \$71,061 in 2018. Other major expenses are event expenses associated with fundraising, insurance, utilities, and maintenance.
- The 2020 financial information was internally prepared. In 2020, event income was down \$16,000 from 2019 and contributions were down about \$24,000 both due to Covid. Governmental support from the County remained the same. The 2020 statement also shows a prior period expense of \$35,724.98 on the books. Without



**ADMINISTRATION and REGIONAL DEVELOPMENT DIVISION**

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**WATER QUALITY DIVISION**

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**TELECOMMUNICATIONS DIVISION**

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this expense, the organization would have had a profit. Payroll was also down to \$31,778 in 2020 primarily due to Covid.

- The 2021 financial information was internally prepared. Income for 2021 includes \$71,900 in grant income related to the construction project. Not reflected above is other income/expense of \$17,635. This is primarily from a payroll protection loan/grant of \$17,976.
- For the cash flow analysis I added back items that appeared to be one-time on the financial statements. The Historical Society operates on a show-string budget. With the DANC payment being only \$5203 annually, or \$433.58 per month, it is likely that they would be able to make this payment. It is their only debt. I have asked them to provide updated financial projections, however they are not available at this time.

**Balance Sheet**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>5/2021</b>
Current Assets	78,235	70,800	98,275	95,835
Property & Equipment, Net	273,790	283,456	314,800	408,959
Long Term Assets	0	0	0	0
<b>Total Assets</b>	<b>352,025</b>	<b>354,256</b>	<b>413,075</b>	<b>504,794</b>
Current Liabilities	2,363	1,977	105,683	26,419
Long Term Liabilities	0	0	0	0
<b>Total Liabilities</b>	<b>2,363</b>	<b>1,977</b>	<b>105,683</b>	<b>26,419</b>
Net Assets-w/o donor restrictions	324,662	327,279	282,392	453,375
Net Assets-w/donor restrictions	25,000	25,000	25,000	25,000
<b>Total Net Assets</b>	<b>349,662</b>	<b>352,279</b>	<b>307,392</b>	<b>478,375</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>352,025</b>	<b>354,256</b>	<b>413,075</b>	<b>504,794</b>

- Primary current assets are in cash and cash equivalents of \$74,992 in 2019, \$67,557 in 2019, and \$95,032 in 2020.
- Fixed assets in 2020 increased as they began work-in-progress on their capital project.
- Short-term liabilities increased in 2020 due to the outstanding line-of-credit with the Development Authority. This will be paid off in 2021 with proceeds from grants.
- The Historical Society has no long-term debt.
- Through May 2021, fixed assets continue to increase due to work-in-progress associated with the construction project. The current liabilities decreased as they continue to pay-down the DANC/WLDC pre-construction loan with grant proceeds.



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**Collateral Analysis:**

	<b>Market Value*</b>	<b>Discount</b>
Building	\$559,565	
Discounted at 70%		\$391,695
Collateral Available	\$559,565	\$391,695
DANC Loan/Grant	\$180,000	\$180,000
DANC Loan to Value	.32	.46

The market value is from the City of Watertown tax records and is the full market value for 2021. As a note, when the mortgage is filed, it is for the total grant/loan amount, which in this case is, \$180,000.

**Business Credit:**

The Logic Score shows a high risk score of 55. It has no days beyond terms, either current or historical, making it uncertain as to when one might expect payments to be received. It has no derogatory public records or collection accounts. It has two trade lines: Financial Services and Printing/Publishing. Neither of these are carrying balances presently.

**Contingencies:**

- DANC/WLDC construction financing of \$570,000
- Copies of invoices and cancelled checks
- Disbursed as construction loan



**Board Resolution No. 2021-06-97**  
**June 24, 2021**

**NORTH COUNTRY VALUE ADDED AGRICULTURE  
REVOLVING LOAN FUND  
NEW SUSIDIARY OF AGBOTIC INCORPORATED**

Whereas, **Resolution No. 2014-10-07** established the North Country Value Added Agriculture Revolving Loan Fund, and

Whereas, the Regional Loan Review Committee has the authorization to commit loans of up to \$250,000 with the Authority Board ratifying the loan at its next meeting, and

Whereas, the Regional Loan Review Committee met June 11, 2021 to review an application from Agbotic Incorporated for a new subsidiary to be formed under the company, requesting \$200,000 from the North Country Value Added Agriculture Revolving Loan Fund in order to acquire equipment to start-up a bottling line for organic, functional beverages in Jefferson County, and

Whereas, the committee felt that it met the criteria of the loan program in increasing the availability of value added agricultural products to market, and

Whereas, the Authority has submitted a draw to New York State for \$400,000 for Empire State Development (ESD) Grant Y854 which funds the North Country Value Added Agriculture Fund, and

Whereas, the Authority expects ESD to modify the ESD Grant Y854 to authorize the disbursement of the funds, and

Whereas, the loan may need to close prior to the Authority receiving the funds from ESD and thereby recommends bridging the ESD funds with funds from the Economic Development Fund until such time that the funds are received from ESD, and

Whereas, the Regional Loan Review Committee approved a commitment of \$200,000 from the North Country Value Added Agriculture Revolving Loan Fund at the terms and conditions attached.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, Development Authority of the North Country does hereby ratify a loan in the amount of \$200,000 from the North Country Value Added Agriculture Revolving Loan Fund to a new subsidiary of Agbotic Incorporated (to be formed) at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan, and be it further**

**RESOLVED, Development Authority of the North Country hereby approves transferring \$200,000 from the Authority's Economic Development Fund to the North Country Value Added Agriculture Fund, as necessary, to bridge the funds from Empire State Development, subject to an executed modification agreement to ESD Grant Y854, and be it further**

**RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.**

# TERM SHEET

Borrower:	New subsidiary to be formed under Agbotic Incorporated
Loan Fund:	North Country Value Added Agriculture Revolving Loan Fund [Empire State Development Funds]
Amount:	\$200,000
Loan Term:	120 months
Loan Rate:	3%
Loan Payment:	6 months interest only, then regular monthly principal and interest payments to fully amortize the loan over remaining 114 months
Collateral:	First lien on equipment to be purchased
Guarantees:	Agbotic Incorporated; Golden Technology Management, LLC
Conditions:	<ul style="list-style-type: none"><li>• Cash equity of a minimum of \$20,000 demonstrated by copies of cancelled checks and invoices</li><li>• North Country Economic Development Fund financing of \$300,000</li><li>• Proof of building permit, if required, or lease, if required</li><li>• Copies of invoices, and cancelled checks or bank statements</li><li>• ESD grant modification</li></ul>

## NORTH COUNTRY VALUE-ADDED AGRICULTURE FUND

**Borrower:** New Subsidiary of Agbotic Incorporated to be formed

**Location:** Business: 18135 County Route 75  
Sackets Harbor, NY 13685

Project: TBD likely 18135 County Route 75, Sackets Harbor, NY 13685

**Ownership:** New Subsidiary-100% Agbotic Incorporated  
Agbotic Incorporated-37% Golden Technology Management; 63% by 25 investors

**Loan Amount:** \$200,000.00

**Term:** 120 months

**Rate:** 3%

**Payments:** 6 months interest only then principal and interest payments to amortize over 114 months

**Guarantor:** Golden Technologies Management, LLC, Agbotic Incorporated

**Collateral:** First lien on equipment to be purchased

**Use of Funds:** Equipment for new beverage bottling line

**Jobs:** **Agbotic**  
Existing: 23 FTE  
Years 1-3: 6 FTE

### Total Project Costs

<i>Sources of Funds</i>		<i>Uses of Funds</i>	
N.C. Value Added Fund	\$ 200,000.00-25%	Equipment	\$ 500,000.00
NCEDF	\$ 300,000.00-29%	Improvements	\$ 50,000.00
Cash/Equity	\$ 520,000.00	Working Capital	\$ 470,000.00
<u>Cash/Equity</u>	<u>\$ 520,000.00</u>		
Total	\$1,020,000.00	Total	<u>\$1,020,000.00</u>

Agbotic Incorporated

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## **Project**

\*It should be noted that Golden Technology Management, LLC, the parent of Agbotic Inc., was the recipient of a \$234,000 loan from the North Country Value Added Agriculture Fund in 2015 to construct a greenhouse facility on land located in Sackets Harbor, New York. This loan closed in August 2015. The loan is for 10 years. The outstanding principal balance is \$147,105.24. The borrower always pays as agreed. The combined assistance to Golden Technology Management and Agbotic is below \$500,000.

Agbotic (a Delaware Corporation) is requesting \$200,000 from the North Country Value-Added Agriculture Fund and \$300,000 from the North Country Economic Development Fund to purchase equipment to start a new beverage bottling line. The company will utilize approximately \$520,000 of their own cash for working capital and other start-up costs.

The new company to be formed under Agbotic Inc will create 100% organic, functional beverages under the Good Healthy® brand. The product will be fresh brewed from the organic plants in the greenhouse with known health benefits. Those health benefits should reduce inflammation, lower blood pressure, respiratory and skin health, digestive health, and others. The new brand responds to the market move from sugary sodas, dairy and high-carbonate beverages to healthy, functional beverages.

In speaking with Agbotic, their product will be unique as they will be a vertically integrated facility. The project will allow Agbotic to utilize the organic plant production of one of its existing greenhouses on the Sackets Harbor site, using their own bottling process.

The target market for the new product is south from Watertown to Buffalo, east into Massachusetts and Connecticut, and south into New York City. They will have a three-pronged approach to distribution. (1) They will direct deliver to select customers within a 200-mile radius. Direct customers would include restaurants, schools, supermarkets (ie Tops and Wegmans), etc. While there are no written agreements in place, they have had high-level discussions with potential customers. They used this same approach for the Agbotic produce. (2) Agbotic will distribute in northern New York State through Doldo Brothers, a local distributor. (3) Agbotic will distribute through a third-party that will ship wholesale deliveries to current and new customers especially in the New York City area.

The concept of functional beverages is not new to Agbotic. In 2019, the company tested two beverages at the New York State fair. A third party brewed and bottled the beverages. The beverages were well received. Agbotics was prepared to move forward with this venture, however COVID hit and the plans were shelved. It should also be noted that Agbotic has been working with experts in the national beverage and bottling industry as it moves this project forward. These individuals have been advising the company.

The company is finalizing plans for the location of the bottling facility. Right now it is considering two locations. One location is in a building that it currently owns on its site in Sackets Harbor. They are also considering building new on a concrete pad on the Sackets site as well. The other location would be leased space in Watertown. They will finalize the decision on the location in mid-July. Before closing on the equipment loan, I would want to see any required building permits obtained. No Department of Health permit is required, and Ag and Markets does not issue a permit but will inspect the facility once it is operational. **In regard to Ag and Markets, the company will submit their plans to an outside third-party for review and acceptance by Ag and Markets. Kevin**

Agbotic Incorporated

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**Richardson, with Agbotic, is very familiar with this process as he has been through it before with the North Country mill. In addition, the company is working with John Brennan who is the former director of Ag & Markets. The company feels confident that its facility, bottling line and operations will meet Ag & Markets requirements.**

The equipment to be purchased will allow the company to bottle 1.5 million bottles per year, or 29,000 per week. They will need to hire approximately 3-4 people for the beverage line, 2 for sales, and 1 for support.

### **Greenhouse Project**

Since the Authority was a lender in the original greenhouse project, and since Agbotic also includes revenues from the greenhouse operations, I am providing an update on operations. Agbotic currently has 6 greenhouses located on the Sackets Harbor site. The last greenhouse went online in August 2020. They currently have about 11 people working for the greenhouses: 6 operators (1 for each greenhouse), 3-4 in the pack house, and 1 manager.

Sales in 2020 struggled with the onset of COVID. When this occurred, the company had to shift from restaurant sales to retail. When the new greenhouse came on line in August, sales started to climb. In Q1 2020 they had around \$40,000 in sales; Q2 about \$62,000; Q3 about \$84,500; and Q4 about \$141,000. They feel very good about this sales growth. They reported that they have met their 2020 year end revenues through May 2021. They currently sell Fresh Produce in approximately 400 locations in NYS and several locations in Pennsylvania and Vermont. Major customers include Wegmans, Hannaford, Tops, Fresh Direct, and Baldor.

They are currently working on Series B equity financing and hope to have this launched in July 2021. This will be a significant investment into the company. These funds will be used to expand greenhouses, invest in technology, and continue research and development.

One patent has been issued for Robotic Gantry Bridge for Farming, and 8 patent applications are underway. They have two trade secrets, and the GoodHealthy Brand is federally registered.

### **Golden Technology Management**

Our original loans for the greenhouses was to Golden Technology Management. At the time, it was the main operating company for the operations. Over time, Agbotic has become the main operating entity and Golden Technology Management is primarily the holding company for the primary shareholder's shares. We will still require the cross-corporate guarantee of Golden Technology Management, as well as Agbotic.

### **Management**

The project will be managed by Agbotic, Inc's team. Agbotic was incorporated in 2014 by the new technology incubation team at Golden Technology Management. The Golden team possesses a strong track record for identifying and commercializing new technologies; protecting intellectual property and patenting new inventions; establishing corporate infrastructure; forming management teams; and funding and operating businesses. Some of the team's key members include:

Agbotic Incorporated

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John Gaus – Chief Executive Officer

Kevin Richardson – Executive Vice President of Sales and Operations

Cody Morse – Executive Vice President of Automation

Robert Smith - Chief Financial Officer

Directors include: Bob Smith, CFO of Agbotic; Iryna Suhnska, Director/Advisor, Senior Executive at Tower Holding; Richard Kennedy, Director Europe, CEO of Devenish Nutrition, Belfast, Ireland; Jon Prete, Director/Advisor, former CEO of UI Holdings Company; Patrick Brennan, Director/Advisor, former Commissioner of Agriculture; Ross Raymond, Director/Advisor, senior sales and marketing director for international CPG company; James Cagle, farm manager.

### Financial Review – Agbotic Incorporated & Subsidiary

	2018	2019	2020	3/31/2021
Sales	46,712	131,772	325,007	174,707
Gross Profit	3,711	16,391	145,174	(9,677)
Expenses	1,030,841	2,094,405	3,168,603	751,047
Other Income/Exp	398,439	404,408	490,747	(31,228)
Net Income (Loss) Before Benefit from Income Taxes	(628,691)	(1,673,606)	(2,532,682)	(791,952)
Add Back: Depreciation	65,046	176,267	493,031	156,883
Total Cash Available	(563,645)	(1,497,339)	(2,039,651)	(635,069)
DANC Loan	59,123	59,123	59,123	59,123
Debt Service Coverage	(9.53)	(25.33)	(34.50)	(10.74)

Sales Inc (Dec.)	----	(75%)	146.6%	---
Gross Profit	---	.12	.45	(.06)
Expenses	.96	15.89	9.75	4.3

\*DANC Value Added Ag Fund-\$2018.42/month

NCEDF Loan-\$2908.46/month

- Financials for 2018-2020 are from the audits prepared by the CPA. The 2021 information was internally prepared.
- In 2020, Agbotic added several products to their distribution including kale, arugula, and spinach. It continued to sell organic hemp and other items that accounted for about 3% of sales. Organic beets with greens and radishes accounted for 62% of sales.
- Other income includes grant income of \$483,134 in 2019 and \$426,064 in 2020 as well as miscellaneous income of \$119,935 in 2020. In 2020, the company booked \$157,063 of grant income from the Payroll Protection Program. Other expenses include interest of \$75,276 in 2019 and \$243,215 in 2020. To note, the company received loan proceeds in the amount of \$125,025 under the PPP round 2 on March 18, 2021. The company will apply for forgiveness within 10 months of the end of the covered period.
- The Company expenses all research and development costs, including amounts for development of new crops and new techniques to optimize growing conditions and yield of existing crops, and design prototypes and modifications made to existing prototypes, as

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incurred, except for prototypes that have alternative future uses. The Company allocates materials and supplies, and salaries and wages related to crops, to research and development costs based on total pounds harvested. R&D costs charged to expenses for the years ended December 31, 2020 and 2019 were approximately \$781,000 and \$114,000 respectively.

- Advertising and marketing expense for the years ended December 31, 2020 and 2019 was approximately \$129,000 and \$128,000, respectively.
- Other primary SG&A expenses include compensation and benefits of \$772,000, professional services of \$326,000, and sales and marketing (in addition to payroll) of \$157,000 in 2020.
- In my discussions with the CFO, it needs to be noted that Agbotic is still a start-up, R&D heavy business. While it does have growing revenues, its expenses still outpace revenue. The COGS more accurately reflect the direct costs associated with production. The SG&A reflect fixed salaries for individuals that are also trying to grow Agbotic including sales. They are also heavy on professional fees related to their equity/fundraising campaigns and branding.
- Based upon historical operating information, there would not be sufficient cash flow to repay new debt. However, the impact of the convertible bridge financing had a negative impact on cashflow. Excluding this, the deficiency would have been approximately \$233,000.

#### Agbotic Projections-Bottling Line Only

	Year One	Year Two	Year Three
Sales	1,000,131	2,577,435	3,075,000
Gross Profit	445,327	1,147,650	1,369,200
Expenses	720,000	902,102	1,076,250
EBITDA	(274,673)	245,548	292,950
Depreciation	78,571	78,571	78,571
Interest	14,513	13,192	11,831
EBT	(367,758)	153,784	202,548
Add Back: Depreciation	78,571	78,571	78,571
Add Back: Interest	14,513	13,192	11,831
Total Cash Available for Debt	(274,673)	245,548	292,950
DANC loans	59,123	59,123	59,123
Total Debt	59,123	59,123	59,123
Debt Service Coverage	(4.65)	4.15	4.96

Sales Inc. (Dec.)		157.7%	19.3%
Gross Profit	.45	.45	.45
Expenses	.72	.35	.35
EBT as % of Sales	---	.10	.10

- The projections above are for the bottling line and one greenhouse that will be supporting the bottling line only.
- Applicant proposes to start production October 2021. They project monthly sales as a percentage of production to be 90%. Monthly sales growth is projected at 25%, however may start at lower volumes and ramp in later periods with consumer acceptance. Their price per bottle to distributor will be \$2.05.

- Cost of Goods Sold are comprised of two inputs: organic plant inputs, and brewing, processing, bottling, bottles and other packaging. Total COGS per bottle are \$1.05, and it is \$10.40 per gallon.
- Sales and marketing expenses per month are estimated at \$40,000. General and administrative expenses are estimated at \$20,000 per month.
- Payroll reflected in the projections are for the approximately 6 staff associated with the bottling line and the one greenhouse.
- The Green Bank loan is not shown above as that is paid from Project #1.
- Based upon the projections for the operations associated with the bottling line, there would be sufficient cash flow to repay debt.

**Golden Technology Management**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
Sales	478,750	446,000	362,767
Gross Profit	478,750	446,000	362,767
Expenses	439,790	416,557	421,872
Other Income/Exp	(408,302)	(163,775)	(20,144)
Net Income (Loss) Before Benefit from Income Taxes	(369,342)	(134,332)	(79,249)

- Golden Technology Management is now the holding company for Agbotic and primarily serves to hold the shares of the primary shareholder. It appears that revenues are primarily from Gold Leaf Maple.
- Primary expense is the guaranteed payment to the partners. Guaranteed payments to partners was \$370,811 in 2018, \$299,970 in 2019, and \$130,000 in 2020.

**Agbotic-Balance Sheet**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Assets</b>			
Current	863,024	2,751,116	858,970
Fixed	2,822,751	9,126,723	10,165,354
Other	1,730,520	775,981	1,472,555
Total Assets	5,416,295	12,653,820	12,496,879
<b>Liabilities</b>			
Current	222,782	4,242,689	4,356,283
Long Term	20,454	4,810,799	6,707,067
Total Liabilities	222,782	9,053,488	11,063,350
Equity	5,173,059	3,600,332	1,433,529
Total Liabilities & Equity	5,416,295	12,653,820	12,496,879

Working Capital	640,242	(1,491,573)	(3,497,313)
Current Ratio	3.87	.65	.20

Debt/Equity	.04	2.52	7.72
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- Current assets comprised primarily of cash. Other assets include escrow account and deferred tax asset.
- Current liabilities increased substantially in 2019. There are several issues that impact this as identified below. With these adjustments, current assets would decrease and working capital would be positive.
  - The Convertible Notes of \$3,150,000-per GAAP this was required to be booked as a short term asset, however will be converted to equity and is a non-cash transaction.
  - A \$140,000 disputed investment banking fee that was included in Accounts Payable at 12/31/20. We settled for no payment in May 2021.
  - More than \$200,000 due to outside counsel for work on the Green Bank loan that the counsel have indicated they will not seek until the Series B funding closes.
  - \$42,523 disputed amount claimed by a contractor.
- Green Bank loan minimum payments of \$75,000 per quarter will begin October 2021 and will come due December 2026. Speaking with the company, this will be paid from additional revenues generated from beverage sales. They are not concerned with making these payments in 2021 as sales are increasing.
- The collateral for the Green Bank loan is the assets of Project #1 which is the greenhouse projects.
- There is a note payable to a related party for \$300,000 with no required payment maturing December 2025.
- In March 2021, the company approved a third round of convertible note financing (Round Three) to effectively extend the availability of the remaining \$3 million balance from round two. As of April 15, 2021, the Company has received proceeds of \$1 million in round three.

#### Golden Technology Management

	2018	2019	2020
<b>Assets</b>			
Current	(173,999)	(621,644)	15,157,028
Fixed	3,857	3,857	3,172
Other	249	249	(315,342)
<b>Total Assets</b>	<b>(169,893)</b>	<b>(617,538)</b>	<b>14,844,858</b>
<b>Liabilities</b>			
Current	217,828	804,430	849,155
Long Term	807,261	164,712	188,127
<b>Total Liabilities</b>	<b>1,025,089</b>	<b>969,142</b>	<b>1,037,282</b>
<b>Equity</b>	<b>(1,194,982)</b>	<b>(1,586,680)</b>	<b>13,807,576</b>
<b>Total Liabilities &amp; Equity</b>	<b>(169,893)</b>	<b>(617,538)</b>	<b>14,844,858</b>

- Under current assets for 2018 and 2019 includes other investments which totaled (\$248,144) in 2018 and (\$685,303) in 2019. The investment in Agbotic Project #1 was (\$621,343) in 2018 and (\$1,053,464) in 2019.

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- Other current liabilities in 2018 and 2019 were primarily comprised of accrued interest of \$96,404 in 2018 and \$111,044 in 2019, and amounts withheld from partners of \$59,628 in 2018 and \$21,098 in 2019.
- For 2020, other assets included \$15,031,373 for unrealized gain/loss for the ZeroPoint investment. This is offset in the equity. This is a paper gain only and completely illiquid.
- Primarily the income (loss) from Gold Leaf Maple, North Country Farms, LLC, Agbotic Project 1, LLC, and Agbotic roll into this LLC.

**Business Credit:**

The Logic Score for Agbotic Inc. is 59-a high risk score. The days beyond terms is reported to be 5 or less. It has no derogatory public records or collection accounts. The accounts established presently have no balances owed.

The Logic Score for Golden Tech is 79, a medium risk score. Its days beyond terms are reported to be 5 or less. It has no derogatory public records or collection accounts. The accounts established are being paid as agreed for the most part-the business category is current, while communications is 1-30 days late with payments.

**Collateral:** Equipment to be purchased (see attached list).

	<b>Cost</b>	<b>Discount</b>
New Equipment (discounted at 50%)	<u>\$500,000</u>	<u>\$250,000</u>
Total Collateral Value	\$500,000	\$250,000
N.C. Economic Development Fund	\$300,000	\$300,000
N.C. Value Added Agriculture Fund	\$200,000	\$200,000
<b>Loan to Value</b>	<b>1.0</b>	<b>2.0</b>

Sufficient collateral at cost.

**Contingencies:**

- Acceptable MWBE Utilization Plan or waiver
- Labor Peace does not apply
- North Country Economic Development Fund
- Proof of building permit, if required, or lease, if required.
- ESD release of funds



**Board Resolution No. 2021-06-98**  
**June 24, 2021**

**NORTH COUNTRY REGIONAL TOURISM TRANSFORMATIONAL  
COMMUNITY REVOLVING LOAN FUND  
EASTERN RESORT MANAGEMENT, LLC  
LOAN MODIFICATION**

Whereas, **Resolution No. 2015-06-83** approved a loan in the amount of \$168,000 to Eastern Resort Management, LLC (“Borrower”) from the North Country Regional Tourism Transformational Community Revolving Loan Fund to acquire the Snow Ridge Ski Resort in Lewis County, and

Whereas, the Authority has a mortgage on the real estate behind the seller, and

Whereas, the Borrower is requesting that the Authority release 23.3 acres of land from its mortgage that it is selling to a neighbor, and

Whereas, the Borrower has agreed to use the proceeds from the sale of the land to pay-down the first mortgage and to expand the campsites on the property, and

Whereas, it is in the Authority’s interest to have the Borrower pay down the first mortgage to improve its loan-to-value and invest in the campsites which will increase long-term revenue to repay debt, and

Whereas, a collateral analysis completed by staff shows that the Authority would have a sufficient loan-to-value on the remaining property, and

Whereas, all other loan terms and conditions will remain the same.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby approve the loan modification for Eastern Resort Management, LLC releasing 23.3 acres of land from the mortgage, and authorizes the Executive Director or the Chief Financial Officer to execute all necessary documentation.**



ADMINISTRATION and REGIONAL DEVELOPMENT DIVISION

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WATER QUALITY DIVISION

Warneck Pump Station  
23557 NYS Route 37  
Watertown, New York 13601

Telephone (315) 661-3210  
Emergency Telephone (315) 786-4000

TELECOMMUNICATIONS DIVISION

Dulles State Office Building  
317 Washington Street, Suite 406  
Watertown, New York 13601

Telephone (315) 661-3200  
Emergency Telephone (866) 669-3262

MATERIALS MANAGEMENT DIVISION

Solid Waste Management Facility  
23400 NYS Route 177  
Rodman, New York 13682

Telephone (315) 661-3230

ENGINEERING DIVISION

Warneck Pump Station  
23557 NYS Route 37  
Watertown, New York 13601

Telephone (315) 661-3210

**TO:** Project Development Committee  
**FROM:** Michelle Capone  
**DATE:** June 7, 2021  
**SUBJECT:** Eastern Resort Management LLC-Partial Release

**Resolution No. 2015-06-83** approved a loan for \$168,000 to Eastern Resort Management, LLC to purchase the Snow Ridge Ski Resort in Lewis County. The current balance on the DANC loan is \$129,658.88. **Resolution No. 2019-06-82** extended the term of this loan from 10 years to 20 years. Since June of 2020 the borrower has been current on their loan. The seller held a note for \$640,000 that is ahead of the Authority’s mortgage position. The current balance on this loan is \$598,000. The borrower is current on this loan.

**Resolution No. 2016-10-138** approved a loan for \$30,600 to Eastern Resort Management, LLC to purchase a snow groomer. The balance on this loan is \$18,730.23. This loan will mature 3/1/2027. The borrower is current on this loan. This loan is secured by the equipment.

As we have discussed at prior board meetings, Eastern Resort Management has been in the process of selling land for several years now. The sale is now proceeding. They are selling 23.3 acres for \$41,415 to a neighboring landowner. The lot is in the very southwest corner of the property and does not serve any useful purpose. As we discussed in the past, it was always their intent to use a portion of the proceeds to pay down Mr. Horn’s first mortgage and to use a portion of the funds to finance the campground expansion. The campground expansion was critical to them meeting their cash flow projections. This will allow them to increase annual campground income exponentially. In fact, they are using the campground revenue to pay their mortgage payments.

An appraisal report completed November 2015 by CNY Appraisers, Inc. came back with an “as is” going-concern market value of the fee simple estate of \$860,000 allocated as follows:

Real Property	\$660,000
Personal Property (FF&E)	\$150,000
Business Value	\$50,000

There is currently \$598,000 outstanding in debt ahead of the DANC mortgage. This leaves \$212,000 in physical collateral. The Authority has a mortgage of \$129,658. The Authority’s



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loan-to-value is .61. Even with the sale of the 23.3 acres of land, there is still sufficient loan-to-value to release the land.

While typically you would ask for a fair monetary value to release the collateral, in this case, I think the Authority benefits by the first mortgage being paid down and the balance of the funds going into the new campsites. It will improve the Authority's loan to value and ensure future cash flow to pay the loans.

**Staff recommendation:** Staff recommends that we release 23.3 acres of land from the mortgage for Eastern Resort Management LLC conditioned upon the proceeds being used to complete the new campsites and paying down a portion of the first mortgage.



## **Board Resolution No. 2021-06-99**

### **June 24, 2021**

### **GRANT FUNDING APPLICATIONS AUTHORIZING APPLICATIONS**

Whereas, the Development Authority of the North Country has submitted applications and has been successfully awarded funding in rounds one through ten of the New York State Consolidated Funding Applications process (“CFA”), and

Whereas, the Authority is working with partners to identify projects in the areas of housing, economic development, telecommunications, water/sewer, and solid waste management that meet the Authority’s mission that may be eligible for funding through not only the CFA process but other federal and state grant programs, and

Whereas, the deadline for applications to be accepted through the CFA process is July 30, 2021 which is before the next Authority Board Meeting which will be held August 26, 2021, and

Whereas, there are other federal and state grant programs that have notices of funding availability with application submission deadlines prior to our next board meeting on August 26, 2021, and

Whereas, the Authority may find it appropriate to submit an application or applications through these grant programs which are consistent with its mission upon approval of Executive Management, and

Whereas, if applications are successful and awarded funding, the Authority Board would have the decision of authorizing acceptance of the funds and authorizing the Executive Director to enter into an agreement for the funds at a future meeting.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country, does hereby authorize applications still to be identified that meet the mission of the Authority to be submitted through the Consolidated Funding Application or other federal or state programs, subject to the approval of the Executive Director and notification to the Board.**



**Board Resolution No. 2021-06-100**  
**June 24, 2021**

**2021 HOME PROGRAM YEAR  
AUTHORIZING CONTRACTS**

Whereas, the Administrative Board for the North Country HOME Consortium met on March 10, 2021 and awarded funding from its 2021 Housing and Urban Development (HUD) HOME allocation in the amount of \$874,999, and

Whereas, the HOME awards will be made contingent upon a Release of Funds notice received by Jefferson County from the U.S. Department of Housing and Urban Development, and

Whereas, North Country Affordable Housing will receive \$320,000 in project and administration funds to assist about 10 eligible homeowners in Jefferson County with home repairs, and

Whereas, Frontier Housing will receive \$259,999 in project and administration funds to assist about 12 eligible homeowners located in southern Jefferson County with home repairs, and

Whereas, Neighbors of Watertown will receive \$250,000 in CHDO funding to assist 6 income eligible households in the City of Watertown with homebuyer assistance, and

Whereas, the Development Authority of the North Country, as Grant Administrator, must enter into a contractual agreement with awardees in order to disburse HOME funding and provide ongoing monitoring of HOME projects on behalf of the Consortium.

Now, upon the recommendation of the Project Development Committee, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby authorize the Executive Director or Chief Financial Officer to execute contracts based upon awards made by the North Country HOME Consortium Administrative Board.**

## 2021 HOME CONSORTIUM FUNDING AWARDS

*\*SUBJECT TO RELEASE OF FUNDS BY HUD*

<b>Organization</b>	<b>Amount</b>	<b>Use of Funds</b>
North Country Affordable Housing	\$320,000	Owner-occupied rehabilitation, Jefferson County
Frontier Housing	\$259,999	Owner-occupied rehabilitation, Towns of Brownville, Lyme, Hounsfield, Henderson, Adams, Rodman ,Ellisburg, Lorraine, and Worth
Neighbors of Watertown	\$250,000	Homebuyer assistance, City of Watertown
Development Authority of the North Country	\$35,000	Grant Administration
Jefferson County	\$10,000	Grant Administration

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Friday, April 30, 2021**

	<u>YTD ACTUAL</u>	<u>3/31/2021 Total</u>
<b>STATEMENT OF NET POSITION</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$5,898,360.69	\$5,555,064.63
Accounts Receivable	2,738,955.55	2,619,156.57
Unbilled Revenue	282,281.51	506,780.75
Interest Receivable	104,209.33	106,871.43
Loans Receivable, net	34,087,228.80	34,183,499.90
Inventory	466.14	466.14
Prepaid Expense	431,531.08	481,698.37
Investments	28,945,144.22	28,935,377.58
Funds Held In Trust	895,351.87	798,343.58
OPEB Reserve Fund	5,635,277.70	5,630,540.54
Restricted Assets	70,982,110.11	70,903,955.70
Leased Property	55,875.07	57,206.32
Capital Assets, net	83,501,907.38	83,774,236.42
<b>Total Assets</b>	<b>233,558,699.45</b>	<b>233,553,197.93</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	4,001,942.00	4,001,942.00
OPEB	171,716.00	171,716.00
Total Deferred Outflows of Resources	4,173,658.00	4,173,658.00
<b>TOTAL ASSETS PLUS DEFERRED OUTFLOWS</b>	<b>237,732,357.45</b>	<b>237,726,855.93</b>
<b>LIABILITIES</b>		
Accounts Payable	1,707,877.34	2,002,687.69
Grants & Passthroughs Payable	486,837.15	424,191.11
Community Benefits Payable	64,043.80	150,564.88
Interest Payable	175,997.92	122,660.42
Accrued Expenses	527,869.72	527,754.84
OPEB Liability	4,989,076.79	4,950,122.00
Net Pension Liability	5,248,617.00	5,248,617.00
Unearned Income	7,561,341.23	7,696,474.95
Lease Obligation	55,875.07	57,206.32
Funds Held for Others	10,479,115.48	10,479,115.48
Due to US ARMY	749,985.00	749,985.00
Landfill Closure & Post Closure	15,892,253.67	15,815,479.62
Long-term Liabilities	22,898,660.25	22,903,266.69
Total Liabilities	70,837,550.42	71,128,126.00
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	115,996.00	115,996.00
OPEB	898,478.00	898,478.00
Total Deferred Inflows of Resources	1,014,474.00	1,014,474.00
<b>TOTAL LIABILITIES PLUS DEFERRED INFLOWS</b>	<b>71,852,024.42</b>	<b>72,142,600.00</b>
<b>NET POSITION</b>		
Invested In Capital Assets, Net	62,117,337.09	62,385,059.69
Restricted for:		
Community Rental Housing Program	13,263,655.70	13,253,803.57
Community Development Loan Fund	8,881,189.85	8,810,966.03
Affordable Housing Program	22,681,668.65	22,681,752.60
Army Water & Sewer	1,800,000.00	1,800,000.00
Regional Waterline	532,056.89	532,056.89
Reserve For Liner & Replacement	12,388,416.74	12,359,373.92
Reserve For Wetland Mitigation	1,313,558.21	1,312,332.49
OATN Reserve	6,807,618.28	6,801,099.79
Total Restricted	67,668,164.32	67,551,385.29
Board Designated for:		
Infrastructure Development	223,107.42	223,107.42
Capital Reserve	8,897,625.06	9,063,945.81
Tip Fee Stabilization	4,421,317.53	4,415,142.41
Landfill Gas Reserve	1,650,298.02	1,648,014.07
Economic Development Fund	5,486,089.48	5,486,722.55
Affordable Housing Program	3,000,000.00	3,000,000.00
Supplemental Insurance / Admin. Reserve	4,000,000.00	4,000,000.00
Total Board Designated	27,678,437.51	27,836,932.26
Undesignated	8,416,394.11	7,810,878.69
Total Net Position	165,880,333.03	165,584,255.93
<b>Total Liabilities, Deferred Outflows &amp; Net Position</b>	<b>237,732,357.45</b>	<b>237,726,855.93</b>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Friday, April 30, 2021**

	<u>YTD ACTUAL</u>	<u>3/31/2021 Total</u>
<b><u>CHANGE IN NET POSITION</u></b>		
<b>OPERATING REVENUE:</b>		
Customer Billings	1,888,260.91	21,519,985.21
Waste Diversion Revenue	5,547.50	254,298.72
Grant Revenue	114,982.10	1,110,679.35
Loan Interest Income	35,725.69	478,171.51
Other Income	75,612.51	803,348.68
<b>Total Operating Revenue</b>	<b>2,120,128.71</b>	<b>24,166,483.47</b>
<b>OPERATING EXPENSES</b>		
Depreciation & Amortization	652,326.02	7,732,197.28
Salaries	405,015.35	6,068,235.76
Fringe Benefits	221,837.57	3,511,393.35
Operation & Maintenance	139,710.35	2,385,740.84
Recycling Transfer Station	26,675.34	361,610.55
Waste Diversion	22,032.00	968,153.06
Wastewater Treatment	25,514.33	1,243,888.09
Closure & Post Closure Costs	76,774.05	723,478.00
Community Benefits	64,043.80	823,176.82
Water Purchases	15,714.62	620,885.73
Office & Administration	38,218.63	424,438.22
Insurance	36,083.34	434,325.68
Utilities	5,212.31	144,680.63
Bad Debt Expense	2,381.70	(24,042.38)
Materials & Supplies	884.10	229,977.06
Professional Fees	19,384.57	467,026.10
Repairs & Maintenance	1,897.41	177,029.64
Automobile	21,879.41	317,544.35
Computer Expenses	46,851.50	286,038.57
Grants	57,491.05	1,162,315.66
NYS Administrative Assessment	0.00	122,000.00
<b>Total Operating Expenses</b>	<b>1,879,927.45</b>	<b>28,180,093.01</b>
<b>Total Operating Income</b>	<b>240,201.26</b>	<b>(4,013,609.54)</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>		
Interest Income	96,406.90	599,600.86
Gain on Sale of Fixed Assets	8,200.00	81,466.14
Interest Expense	(48,731.06)	(659,482.06)
<b>Total Non-Operating Expense, Net</b>	<b>55,875.84</b>	<b>21,584.94</b>
<b>CHANGE IN NET ASSETS</b>	<b>296,077.10</b>	<b>(3,992,024.60)</b>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Friday, April 30, 2021**

	<b>ADMIN</b>	<b>MATERIALS MGMT</b>	<b>TELECOM</b>	<b>ARMY SEWER</b>	<b>ARMY WATER</b>	<b>REGIONAL WATER</b>	<b>WQ CONTRACTS</b>	<b>ENGINEERING</b>	<b>REGIONAL DEVELOPMENT</b>	<b>TOTAL</b>
<b>STATEMENT OF NET POSITION</b>										
<b>ASSETS</b>										
Cash and Cash Equivalents	\$5,898,360.69									\$5,898,360.69
Accounts Receivable	(331.85)	830,730.29	1,110,481.26	497,335.51	12,093.40	51,993.44	29,740.96	79,398.19	127,514.35	2,738,955.55
Unbilled Revenue				52,540.53	9,640.50	29,804.58	74,373.19	99,137.41	16,785.30	282,281.51
Interest Receivable	8,846.09	11,940.78	8,433.14						74,989.32	104,209.33
Loans Receivable, net									34,087,228.80	34,087,228.80
Inventory		466.14								466.14
Prepaid Expense	389,947.20		41,583.88							431,531.08
Investments	9,574,003.16	13,671,280.65	1,994,437.13						3,705,423.28	28,945,144.22
Funds Held In Trust		895,351.87								895,351.87
OPEB Reserve Fund	5,635,277.70									5,635,277.70
Restricted Assets		29,235,373.33	10,511,173.42	1,922,766.43	1,048,781.69	488,441.26			27,775,573.98	70,982,110.11
Leased Property									55,875.07	55,875.07
Capital Assets, net	494,877.57	48,995,807.13	24,577,313.78	3,166,384.24	3,267,657.31	2,972,743.88		27,123.47		83,501,907.38
<b>Total Assets</b>	<b>22,000,980.56</b>	<b>93,640,950.19</b>	<b>38,243,422.61</b>	<b>5,639,026.71</b>	<b>4,338,172.90</b>	<b>3,542,983.16</b>	<b>104,114.15</b>	<b>205,659.07</b>	<b>65,843,390.10</b>	<b>233,558,699.45</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Pension	4,001,942.00									4,001,942.00
OPEB	171,716.00									171,716.00
Total Deferred Outflows of Resources	4,173,658.00									4,173,658.00
<b>TOTAL ASSETS PLUS DEFERRED...</b>	<b>26,174,638.56</b>	<b>93,640,950.19</b>	<b>38,243,422.61</b>	<b>5,639,026.71</b>	<b>4,338,172.90</b>	<b>3,542,983.16</b>	<b>104,114.15</b>	<b>205,659.07</b>	<b>65,843,390.10</b>	<b>237,732,357.45</b>
<b>LIABILITIES</b>										
Accounts Payable	1,194,282.06	186,749.30	155,638.05	69,845.88	75,207.56	25,372.49	60.00	722.00		1,707,877.34
Grants & Passthroughs Payable			433,705.47						53,131.68	486,837.15
Community Benefits Payable		64,043.80								64,043.80
Interest Payable		175,997.92								175,997.92
Accrued Expenses	248,825.72	96,366.12	95,044.32	18,457.15	18,457.15			50,719.26		527,869.72
OPEB Liability	4,989,076.79									4,989,076.79
Net Pension Liability	5,248,617.00									5,248,617.00
Unearned Income			6,274,232.26						1,287,108.97	7,561,341.23
Lease Obligation									55,875.07	55,875.07
Funds Held for Others				749,985.00					10,479,115.48	10,479,115.48
Due to US ARMY										749,985.00
Landfill Closure & Post Closure		15,892,253.67								15,892,253.67
Long-term Liabilities	914,000.00	19,057,977.32			708,461.33	1,618,221.60			600,000.00	22,898,660.25
Internal: Due To/Due From	7,101,909.67	(6,548,598.21)	647,481.67	(1,056,136.15)	70,076.59	(237,651.36)	(309,718.95)	165,569.82	167,066.92	
Total Liabilities	19,696,711.24	28,924,789.92	7,606,101.77	(217,848.12)	872,202.63	1,405,942.73	(309,658.95)	217,011.08	12,642,298.12	70,837,550.42
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Pension	115,996.00									115,996.00
OPEB	898,478.00									898,478.00
Total Deferred Inflows of Resources	1,014,474.00									1,014,474.00
<b>TOTAL LIABILITIES PLUS DEFERR...</b>	<b>20,711,185.24</b>	<b>28,924,789.92</b>	<b>7,606,101.77</b>	<b>(217,848.12)</b>	<b>872,202.63</b>	<b>1,405,942.73</b>	<b>(309,658.95)</b>	<b>217,011.08</b>	<b>12,642,298.12</b>	<b>71,852,024.42</b>
<b>NET POSITION</b>										
Invested In Capital Assets, Net	494,877.57	29,937,919.77	24,577,313.78	3,166,384.24	2,559,195.98	1,354,522.28		27,123.47		62,117,337.09
Restricted for:										
Community Rental Housing Program									13,263,655.70	13,263,655.70
Community Development Loan Fund									8,881,189.85	8,881,189.85
Affordable Housing Program									22,681,668.65	22,681,668.65
Army Water & Sewer				900,000.00	900,000.00					1,800,000.00
Regional Waterline						532,056.89				532,056.89
Reserve For Liner & Replacement		12,388,416.74								12,388,416.74
Reserve For Wetland Mitigation		1,313,558.21								1,313,558.21
OATN Reserve			6,807,618.28							6,807,618.28
Total Restricted		13,701,974.95	6,807,618.28	900,000.00	900,000.00	532,056.89			44,826,514.20	67,668,164.32
Board Designated for:										
Infrastructure Development				223,107.42						223,107.42
Capital Reserve		8,801,950.06			95,675.00					8,897,625.06
Tip Fee Stabilization		4,421,317.53								4,421,317.53
Landfill Gas Reserve		1,650,298.02								1,650,298.02
Economic Development Fund									5,486,089.48	5,486,089.48
Affordable Housing Program									3,000,000.00	3,000,000.00
Supplemental Insurance / Admin. Reser...	4,000,000.00									4,000,000.00
Total Board Designated	4,000,000.00	14,873,565.61		223,107.42	95,675.00				8,486,089.48	27,678,437.51
Undesignated	968,575.75	6,202,699.94	(747,611.22)	1,567,383.17	(88,900.71)	250,461.26	413,773.10	(38,475.48)	(111,511.70)	8,416,394.11
Total Net Position	5,463,453.32	64,716,160.27	30,637,320.84	5,856,874.83	3,465,970.27	2,137,040.43	413,773.10	(11,352.01)	53,201,091.98	165,880,333.03
<b>Total Liabilities, Deferred Outflows...</b>	<b>26,174,638.56</b>	<b>93,640,950.19</b>	<b>38,243,422.61</b>	<b>5,639,026.71</b>	<b>4,338,172.90</b>	<b>3,542,983.16</b>	<b>104,114.15</b>	<b>205,659.07</b>	<b>65,843,390.10</b>	<b>237,732,357.45</b>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
For the One Month Ending Friday, April 30, 2021

	ADMIN	MATERIALS MGMT	TELECOM	ARMY SEWER	ARMY WATER	REGIONAL WATER	WQ CONTRACTS	ENGINEERING	REGIONAL DEVELOPMENT	TOTAL
<b>CHANGE IN NET POSITION</b>										
<b>OPERATING REVENUE:</b>										
Customer Billings		768,058.17	518,275.07	235,250.72	165,301.40	29,804.58	76,478.51	87,673.66	7,418.80	1,888,260.91
Waste Diversion Revenue		5,547.50								5,547.50
Grant Revenue									114,982.10	114,982.10
Loan Interest Income									35,725.69	35,725.69
Other Income	22,017.93	46,145.95	237.42	594.08					6,617.13	75,612.51
<b>Total Operating Revenue</b>	<b>22,017.93</b>	<b>819,751.62</b>	<b>518,512.49</b>	<b>235,844.80</b>	<b>165,301.40</b>	<b>29,804.58</b>	<b>76,478.51</b>	<b>87,673.66</b>	<b>164,743.72</b>	<b>2,120,128.71</b>
<b>OPERATING EXPENSES</b>										
Depreciation & Amortization	19,895.50	269,548.87	295,633.00	24,956.41	27,468.39	13,348.30		1,475.55		652,326.02
Salaries	84,050.28	98,176.63	82,730.29	27,584.28	18,674.81	1,783.31	32,429.75	36,612.44	22,973.56	405,015.35
Fringe Benefits	41,976.64	62,957.66	34,423.77	17,649.94	12,006.08	991.66	16,212.70	23,077.56	12,541.56	221,837.57
Operation & Maintenance	1,194.92	39,457.24	97,295.40	805.79	100.00	75.00	60.00	722.00		139,710.35
Recycling Transfer Station		26,675.34								26,675.34
Waste Diversion		22,032.00								22,032.00
Wastewater Treatment		8,375.00		17,139.33						25,514.33
Closure & Post Closure Costs		76,774.05								76,774.05
Community Benefits		64,043.80								64,043.80
Water Purchases					9,225.83	6,488.79				15,714.62
Office & Administration	25,364.36	2,360.35	6,596.74	1,944.67				1,452.51	500.00	38,218.63
Insurance	1,600.00	14,225.00	10,850.00	2,841.67	2,433.33	416.67	1,525.00	2,191.67		36,083.34
Utilities		3,408.93	284.19	23.95		1,495.24				5,212.31
Bad Debt Expense			3,394.49						(1,012.79)	2,381.70
Materials & Supplies		884.10								884.10
Professional Fees	1,816.83	4,260.68	1,174.64	274.09	147.59			1,068.75	10,641.99	19,384.57
Repairs & Maintenance		625.02		1,261.41		10.98				1,897.41
Automobile	19.99	1,200.00	6,849.20	13,028.58				781.64		21,879.41
Computer Expenses	26,538.23		932.19	67.28				19,313.80		46,851.50
Grants									57,491.05	57,491.05
Admin Allocation	(175,612.81)	74,336.90	46,695.45	21,301.83	12,486.07	1,317.10	2,809.80	4,267.40	12,398.26	
Engineering Allocation		6,786.38	4,793.83	2,682.28	2,708.61	181.41	606.91	(18,303.54)	544.12	
Water Quality Allocation				(12,724.51)	4,749.99	376.09	7,598.43			
<b>Total Operating Expenses</b>	<b>26,843.94</b>	<b>776,127.95</b>	<b>591,653.19</b>	<b>118,837.00</b>	<b>90,000.70</b>	<b>26,484.55</b>	<b>61,242.59</b>	<b>72,659.78</b>	<b>116,077.75</b>	<b>1,879,927.45</b>
<b>Total Operating Income</b>	<b>(4,826.01)</b>	<b>43,623.67</b>	<b>(73,140.70)</b>	<b>117,007.80</b>	<b>75,300.70</b>	<b>3,320.03</b>	<b>15,235.92</b>	<b>15,013.88</b>	<b>48,665.97</b>	<b>240,201.26</b>
<b>NON-OPERATING REVENUE (EX...</b>										
Interest Income	8,831.73	55,766.04	7,336.16	2,353.32	1,283.64	739.46			20,096.55	96,406.90
Gain on Sale of Fixed Assets		8,200.00								8,200.00
Interest Expense		(48,731.06)								(48,731.06)
<b>Total Non-Operating Expense, Net</b>	<b>8,831.73</b>	<b>15,234.98</b>	<b>7,336.16</b>	<b>2,353.32</b>	<b>1,283.64</b>	<b>739.46</b>			<b>20,096.55</b>	<b>55,875.84</b>
<b>CHANGE IN NET ASSETS</b>	<b>4,005.72</b>	<b>58,858.65</b>	<b>(65,804.54)</b>	<b>119,361.12</b>	<b>76,584.34</b>	<b>4,059.49</b>	<b>15,235.92</b>	<b>15,013.88</b>	<b>68,762.52</b>	<b>296,077.10</b>

**Summary of All Units  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$22,612,534.00	\$1,884,379.00	\$1,888,260.91	\$3,881.91
	Waste Diversion Revenue	726,000.00	60,501.00	5,547.50	(54,953.50)
	Grant Revenue	2,303,111.00	191,926.00	114,982.10	(76,943.90)
	Loan Interest Income	564,000.00	46,999.00	35,725.69	(11,273.31)
	Other Income	773,083.00	64,424.00	75,612.51	11,188.51
	<b>Total Operating Revenue</b>	<b>26,978,728.00</b>	<b>2,248,229.00</b>	<b>2,120,128.71</b>	<b>(128,100.29)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	8,388,800.00	699,067.00	652,326.02	(46,740.98)
	Salaries	6,526,226.00	543,851.00	405,015.35	(138,835.65)
	Fringe Benefits	3,013,656.00	251,142.00	221,837.57	(29,304.43)
	Operation & Maintenance	2,999,100.00	249,928.33	139,710.35	(110,217.98)
	Waste Diversion	951,814.00	79,318.00	22,032.00	(57,286.00)
	Recycling Transfer Station	1,044,778.00	87,062.00	26,675.34	(60,386.66)
	Wastewater Treatment	1,837,029.00	153,086.00	25,514.33	(127,571.67)
	Closure & Post Closure Costs	744,157.00	62,013.00	76,774.05	14,761.05
	Water Purchases	752,520.00	62,711.00	15,714.62	(46,996.38)
	Community Benefits	896,583.00	74,716.00	64,043.80	(10,672.20)
	Office & Administration	647,741.00	53,982.33	38,218.63	(15,763.70)
	Insurance	433,000.00	36,084.00	36,083.34	(0.66)
	Utilities	169,225.00	14,102.00	5,212.31	(8,889.69)
	Bad Debt Expense	0.00	0.00	2,381.70	2,381.70
	Materials & Supplies	302,000.00	25,166.00	884.10	(24,281.90)
	Professional Fees	455,816.00	37,987.33	19,384.57	(18,602.76)
	Repairs & Maintenance	163,500.00	13,625.33	1,897.41	(11,727.92)
	Automobile	364,890.00	30,405.67	21,879.41	(8,526.26)
	Computer Expenses	352,032.00	29,338.00	46,851.50	17,513.50
	Grants	284,570.00	23,714.00	57,491.05	33,777.05
	Admin Allocation	0.00	2.00	0.00	(2.00)
	Engineering Allocation	1.00	1.00	0.00	(1.00)
	NYS Administrative Assessment	125,049.00	10,421.00	0.00	(10,421.00)
	Contingency	80,000.00	6,666.00	0.00	(6,666.00)
	<b>Total Operating Expenses</b>	<b>30,532,487.00</b>	<b>2,544,388.99</b>	<b>1,879,927.45</b>	<b>(664,461.54)</b>
	<b>Total Operating Income</b>	<b>(3,553,759.00)</b>	<b>(296,159.99)</b>	<b>240,201.26</b>	<b>536,361.25</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	898,401.00	74,866.00	96,406.90	21,540.90
	Gain on Sale of Fixed Assets	66,000.00	5,500.00	8,200.00	2,700.00
	Interest Expense	(714,950.00)	(59,579.00)	(48,731.06)	10,847.94
	<b>Total Non-Operating Expe...</b>	<b>249,451.00</b>	<b>20,787.00</b>	<b>55,875.84</b>	<b>35,088.84</b>
	<b>CHANGE IN NET POSITION</b>	<b>(3,304,308.00)</b>	<b>(275,372.99)</b>	<b>296,077.10</b>	<b>571,450.09</b>

**Administration**  
**Change In Net Position**  
**For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Grant Revenue	\$4,000.00	\$333.00	\$0.00	(\$333.00)
	Other Income	211,300.00	17,608.00	22,017.93	4,409.93
	<b>Total Operating Revenue</b>	<b>215,300.00</b>	<b>17,941.00</b>	<b>22,017.93</b>	<b>4,076.93</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	279,900.00	23,325.00	19,895.50	(3,429.50)
	Salaries	1,213,691.00	101,141.00	84,050.28	(17,090.72)
	Fringe Benefits	559,809.00	46,650.00	41,976.64	(4,673.36)
	Operation & Maintenance	16,766.00	1,398.00	1,194.92	(203.08)
	Office & Administration	254,091.00	21,174.00	25,364.36	4,190.36
	Insurance	19,200.00	1,600.00	1,600.00	0.00
	Professional Fees	130,700.00	10,892.00	1,816.83	(9,075.17)
	Automobile	1,890.00	157.00	19.99	(137.01)
	Computer Expenses	240,330.00	20,028.00	26,538.23	6,510.23
	Admin Allocation	(2,332,132.00)	(194,344.00)	(175,612.81)	18,731.19
	Contingency	25,000.00	2,083.00	0.00	(2,083.00)
	<b>Total Operating Expenses</b>	<b>409,245.00</b>	<b>34,104.00</b>	<b>26,843.94</b>	<b>(7,260.06)</b>
	<b>Total Operating Income</b>	<b>(193,945.00)</b>	<b>(16,163.00)</b>	<b>(4,826.01)</b>	<b>11,336.99</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	98,400.00	8,200.00	8,831.73	631.73
	Gain on Sale of Fixed Assets	21,000.00	1,750.00	0.00	(1,750.00)
	<b>Total Non-Operating Expe...</b>	<b>119,400.00</b>	<b>9,950.00</b>	<b>8,831.73</b>	<b>(1,118.27)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(74,545.00)</b>	<b>(6,213.00)</b>	<b>4,005.72</b>	<b>10,218.72</b>

**Materials Management  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$8,964,350.00	\$747,029.00	\$768,058.17	\$21,029.17
	Waste Diversion Revenue	726,000.00	60,501.00	5,547.50	(54,953.50)
	Grant Revenue	81,319.00	6,777.00	0.00	(6,777.00)
	Other Income	487,054.00	40,588.00	46,145.95	5,557.95
	<b>Total Operating Revenue</b>	<b>10,258,723.00</b>	<b>854,895.00</b>	<b>819,751.62</b>	<b>(35,143.38)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	3,537,500.00	294,792.00	269,548.87	(25,243.13)
	Salaries	1,631,019.00	135,919.00	98,176.63	(37,742.37)
	Fringe Benefits	877,304.00	73,110.00	62,957.66	(10,152.34)
	Operation & Maintenance	935,060.00	77,924.00	39,457.24	(38,466.76)
	Waste Diversion	951,814.00	79,318.00	22,032.00	(57,286.00)
	Recycling Transfer Station	1,044,778.00	87,062.00	26,675.34	(60,386.66)
	Wastewater Treatment	603,000.00	50,250.00	8,375.00	(41,875.00)
	Closure & Post Closure Costs	744,157.00	62,013.00	76,774.05	14,761.05
	Community Benefits	763,172.00	63,598.00	64,043.80	445.80
	Office & Administration	92,800.00	7,734.00	2,360.35	(5,373.65)
	Insurance	170,700.00	14,225.00	14,225.00	0.00
	Utilities	65,000.00	5,416.00	3,408.93	(2,007.07)
	Materials & Supplies	302,000.00	25,166.00	884.10	(24,281.90)
	Professional Fees	41,800.00	3,483.00	4,260.68	777.68
	Repairs & Maintenance	20,000.00	1,667.00	625.02	(1,041.98)
	Automobile	14,400.00	1,200.00	1,200.00	0.00
	Computer Expenses	26,200.00	2,183.00	0.00	(2,183.00)
	Admin Allocation	993,394.00	82,783.00	74,336.90	(8,446.10)
	Engineering Allocation	30,524.00	2,544.00	6,786.38	4,242.38
	NYS Administrative Assessment	51,147.00	4,262.00	0.00	(4,262.00)
	Contingency	30,000.00	2,500.00	0.00	(2,500.00)
	<b>Total Operating Expenses</b>	<b>12,925,769.00</b>	<b>1,077,149.00</b>	<b>776,127.95</b>	<b>(301,021.05)</b>
	<b>Total Operating Income</b>	<b>(2,667,046.00)</b>	<b>(222,254.00)</b>	<b>43,623.67</b>	<b>265,877.67</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	462,499.00	38,542.00	55,766.04	17,224.04
	Gain on Sale of Fixed Assets	45,000.00	3,750.00	8,200.00	4,450.00
	Interest Expense	(658,144.00)	(54,845.00)	(48,731.06)	6,113.94
	<b>Total Non-Operating Expe...</b>	<b>(150,645.00)</b>	<b>(12,553.00)</b>	<b>15,234.98</b>	<b>27,787.98</b>
	<b>CHANGE IN NET POSITION</b>	<b>(2,817,691.00)</b>	<b>(234,807.00)</b>	<b>58,858.65</b>	<b>293,665.65</b>

**Telecommunications  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$6,255,686.00	\$521,307.00	\$518,275.07	(\$3,031.93)
	Grant Revenue	200,000.00	16,667.00	0.00	(16,667.00)
	Other Income	47,050.00	3,921.00	237.42	(3,683.58)
	<b>Total Operating Revenue</b>	<b>6,502,736.00</b>	<b>541,895.00</b>	<b>518,512.49</b>	<b>(23,382.51)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	3,732,600.00	311,050.00	295,633.00	(15,417.00)
	Salaries	1,300,279.00	108,356.00	82,730.29	(25,625.71)
	Fringe Benefits	432,104.00	36,009.00	34,423.77	(1,585.23)
	Operation & Maintenance	1,831,724.00	152,643.00	97,295.40	(55,347.60)
	Office & Administration	146,620.00	12,218.00	6,596.74	(5,621.26)
	Insurance	130,200.00	10,850.00	10,850.00	0.00
	Utilities	5,000.00	417.00	284.19	(132.81)
	Bad Debt Expense	0.00	0.00	3,394.49	3,394.49
	Professional Fees	75,734.00	6,311.00	1,174.64	(5,136.36)
	Automobile	104,100.00	8,674.00	6,849.20	(1,824.80)
	Computer Expenses	28,250.00	2,355.00	932.19	(1,422.81)
	Admin Allocation	617,820.00	51,485.00	46,695.45	(4,789.55)
	Engineering Allocation	11,730.00	978.00	4,793.83	3,815.83
	NYS Administrative Assessment	34,901.00	2,908.00	0.00	(2,908.00)
	Contingency	25,000.00	2,083.00	0.00	(2,083.00)
	<b>Total Operating Expenses</b>	<b>8,476,062.00</b>	<b>706,337.00</b>	<b>591,653.19</b>	<b>(114,683.81)</b>
	<b>Total Operating Income</b>	<b>(1,973,326.00)</b>	<b>(164,442.00)</b>	<b>(73,140.70)</b>	<b>91,301.30</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	94,559.00	7,880.00	7,336.16	(543.84)
	<b>Total Non-Operating Expe...</b>	<b>94,559.00</b>	<b>7,880.00</b>	<b>7,336.16</b>	<b>(543.84)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(1,878,767.00)</b>	<b>(156,562.00)</b>	<b>(65,804.54)</b>	<b>90,757.46</b>

**Water Quality  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$6,054,351.00	\$504,530.00	\$506,835.21	\$2,305.21
	Grant Revenue	900,000.00	75,000.00	0.00	(75,000.00)
	Other Income	7,129.00	594.00	594.08	0.08
	<b>Total Operating Revenue</b>	<b>6,961,480.00</b>	<b>580,124.00</b>	<b>507,429.29</b>	<b>(72,694.71)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	826,100.00	68,842.00	65,773.10	(3,068.90)
	Salaries	1,289,936.00	107,494.00	80,472.15	(27,021.85)
	Fringe Benefits	655,289.00	54,610.00	46,860.38	(7,749.62)
	Operation & Maintenance	144,500.00	12,043.33	1,040.79	(11,002.54)
	Wastewater Treatment	1,234,029.00	102,836.00	17,139.33	(85,696.67)
	Water Purchases	752,520.00	62,711.00	15,714.62	(46,996.38)
	Office & Administration	72,131.00	6,010.00	1,944.67	(4,065.33)
	Insurance	86,600.00	7,217.00	7,216.67	(0.33)
	Utilities	99,225.00	8,269.00	1,519.19	(6,749.81)
	Professional Fees	12,763.00	1,064.33	421.68	(642.65)
	Repairs & Maintenance	143,500.00	11,958.33	1,272.39	(10,685.94)
	Automobile	229,100.00	19,092.00	13,028.58	(6,063.42)
	Computer Expenses	20,102.00	1,676.00	67.28	(1,608.72)
	Admin Allocation	500,817.00	41,735.00	37,914.80	(3,820.20)
	Engineering Allocation	33,536.00	2,794.00	6,179.21	3,385.21
	NYS Administrative Assessment	31,828.00	2,653.00	0.00	(2,653.00)
	<b>Total Operating Expenses</b>	<b>6,131,976.00</b>	<b>511,004.99</b>	<b>296,564.84</b>	<b>(214,440.15)</b>
	<b>Total Operating Income</b>	<b>829,504.00</b>	<b>69,119.01</b>	<b>210,864.45</b>	<b>141,745.44</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	44,900.00	3,742.00	4,376.42	634.42
	Interest Expense	(56,806.00)	(4,734.00)	0.00	4,734.00
	<b>Total Non-Operating Expe...</b>	<b>(11,906.00)</b>	<b>(992.00)</b>	<b>4,376.42</b>	<b>5,368.42</b>
	<b>CHANGE IN NET POSITION</b>	<b>817,598.00</b>	<b>68,127.01</b>	<b>215,240.87</b>	<b>147,113.86</b>

**Army Sewer  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$2,779,184.00	\$231,599.00	\$235,250.72	\$3,651.72
	Other Income	7,129.00	594.00	594.08	0.08
	<b>Total Operating Revenue</b>	<b>2,786,313.00</b>	<b>232,193.00</b>	<b>235,844.80</b>	<b>3,651.80</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	303,500.00	25,292.00	24,956.41	(335.59)
	Salaries	438,880.00	36,573.00	27,584.28	(8,988.72)
	Fringe Benefits	222,920.00	18,576.00	17,649.94	(926.06)
	Operation & Maintenance	77,500.00	6,458.00	805.79	(5,652.21)
	Wastewater Treatment	1,234,029.00	102,836.00	17,139.33	(85,696.67)
	Water Purchases	3,200.00	267.00	0.00	(267.00)
	Office & Administration	70,000.00	5,832.00	1,944.67	(3,887.33)
	Insurance	34,100.00	2,842.00	2,841.67	(0.33)
	Utilities	54,980.00	4,582.00	23.95	(4,558.05)
	Professional Fees	4,197.00	350.00	274.09	(75.91)
	Repairs & Maintenance	85,000.00	7,083.00	1,261.41	(5,821.59)
	Automobile	229,100.00	19,092.00	13,028.58	(6,063.42)
	Computer Expenses	20,102.00	1,676.00	67.28	(1,608.72)
	Admin Allocation	281,576.00	23,465.00	21,301.83	(2,163.17)
	Engineering Allocation	10,490.00	874.00	2,682.28	1,808.28
	Water Quality Allocation	(205,362.00)	(17,113.00)	(12,724.51)	4,388.49
	NYS Administrative Assessment	13,401.00	1,117.00	0.00	(1,117.00)
	<b>Total Operating Expenses</b>	<b>2,877,613.00</b>	<b>239,802.00</b>	<b>118,837.00</b>	<b>(120,965.00)</b>
	<b>Total Operating Income</b>	<b>(91,300.00)</b>	<b>(7,609.00)</b>	<b>117,007.80</b>	<b>124,616.80</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	27,800.00	2,317.00	2,353.32	36.32
	<b>Total Non-Operating Expe...</b>	<b>27,800.00</b>	<b>2,317.00</b>	<b>2,353.32</b>	<b>36.32</b>
	<b>CHANGE IN NET POSITION</b>	<b>(63,500.00)</b>	<b>(5,292.00)</b>	<b>119,361.12</b>	<b>124,653.12</b>

**Army Water Line  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$2,015,330.00	\$167,944.00	\$165,301.40	(\$2,642.60)
	Grant Revenue	900,000.00	75,000.00	0.00	(75,000.00)
	<b>Total Operating Revenue</b>	<b>2,915,330.00</b>	<b>242,944.00</b>	<b>165,301.40</b>	<b>(77,642.60)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	354,600.00	29,550.00	27,468.39	(2,081.61)
	Salaries	384,091.00	32,007.00	18,674.81	(13,332.19)
	Fringe Benefits	194,562.00	16,216.00	12,006.08	(4,209.92)
	Operation & Maintenance	9,200.00	767.33	100.00	(667.33)
	Water Purchases	664,255.00	55,355.00	9,225.83	(46,129.17)
	Office & Administration	1,081.00	90.00	0.00	(90.00)
	Insurance	29,200.00	2,433.00	2,433.33	0.33
	Utilities	21,250.00	1,771.00	0.00	(1,771.00)
	Professional Fees	8,066.00	672.33	147.59	(524.74)
	Repairs & Maintenance	26,000.00	2,166.33	0.00	(2,166.33)
	Admin Allocation	165,070.00	13,756.00	12,486.07	(1,269.93)
	Engineering Allocation	9,964.00	830.00	2,708.61	1,878.61
	Water Quality Allocation	85,061.00	7,088.00	4,749.99	(2,338.01)
	NYS Administrative Assessment	11,458.00	955.00	0.00	(955.00)
	<b>Total Operating Expenses</b>	<b>1,963,858.00</b>	<b>163,656.99</b>	<b>90,000.70</b>	<b>(73,656.29)</b>
	<b>Total Operating Income</b>	<b>951,472.00</b>	<b>79,287.01</b>	<b>75,300.70</b>	<b>(3,986.31)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	15,100.00	1,258.00	1,283.64	25.64
	<b>Total Non-Operating Expe...</b>	<b>15,100.00</b>	<b>1,258.00</b>	<b>1,283.64</b>	<b>25.64</b>
	<b>CHANGE IN NET POSITION</b>	<b>966,572.00</b>	<b>80,545.01</b>	<b>76,584.34</b>	<b>(3,960.67)</b>

**Regional Water Line  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$363,652.00	\$30,305.00	\$29,804.58	(\$500.42)
	<b>Total Operating Revenue</b>	<b>363,652.00</b>	<b>30,305.00</b>	<b>29,804.58</b>	<b>(500.42)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	168,000.00	14,000.00	13,348.30	(651.70)
	Salaries	34,063.00	2,839.00	1,783.31	(1,055.69)
	Fringe Benefits	17,007.00	1,418.00	991.66	(426.34)
	Operation & Maintenance	6,800.00	567.00	75.00	(492.00)
	Water Purchases	85,065.00	7,089.00	6,488.79	(600.21)
	Office & Administration	250.00	21.00	0.00	(21.00)
	Insurance	5,000.00	417.00	416.67	(0.33)
	Utilities	22,995.00	1,916.00	1,495.24	(420.76)
	Professional Fees	500.00	42.00	0.00	(42.00)
	Repairs & Maintenance	32,500.00	2,709.00	10.98	(2,698.02)
	Admin Allocation	17,426.00	1,452.00	1,317.10	(134.90)
	Engineering Allocation	2,531.00	211.00	181.41	(29.59)
	Water Quality Allocation	6,665.00	555.00	376.09	(178.91)
	NYS Administrative Assessment	1,987.00	166.00	0.00	(166.00)
	<b>Total Operating Expenses</b>	<b>400,789.00</b>	<b>33,402.00</b>	<b>26,484.55</b>	<b>(6,917.45)</b>
	<b>Total Operating Income</b>	<b>(37,137.00)</b>	<b>(3,097.00)</b>	<b>3,320.03</b>	<b>6,417.03</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	2,000.00	167.00	739.46	572.46
	Interest Expense	(56,806.00)	(4,734.00)	0.00	4,734.00
	<b>Total Non-Operating Expe...</b>	<b>(54,806.00)</b>	<b>(4,567.00)</b>	<b>739.46</b>	<b>5,306.46</b>
	<b>CHANGE IN NET POSITION</b>	<b>(91,943.00)</b>	<b>(7,664.00)</b>	<b>4,059.49</b>	<b>11,723.49</b>

**Water Sewer Contracts  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$896,185.00	\$74,682.00	\$76,478.51	\$1,796.51
	<b>Total Operating Revenue</b>	<b>896,185.00</b>	<b>74,682.00</b>	<b>76,478.51</b>	<b>1,796.51</b>
<b>OPERATING EXPENSES</b>					
	Salaries	432,902.00	36,075.00	32,429.75	(3,645.25)
	Fringe Benefits	220,800.00	18,400.00	16,212.70	(2,187.30)
	Operation & Maintenance	51,000.00	4,251.00	60.00	(4,191.00)
	Office & Administration	800.00	67.00	0.00	(67.00)
	Insurance	18,300.00	1,525.00	1,525.00	0.00
	Admin Allocation	36,745.00	3,062.00	2,809.80	(252.20)
	Engineering Allocation	10,551.00	879.00	606.91	(272.09)
	Water Quality Allocation	113,636.00	9,470.00	7,598.43	(1,871.57)
	NYS Administrative Assessment	4,982.00	415.00	0.00	(415.00)
	<b>Total Operating Expenses</b>	<b>889,716.00</b>	<b>74,144.00</b>	<b>61,242.59</b>	<b>(12,901.41)</b>
	<b>Total Operating Income</b>	<b>6,469.00</b>	<b>538.00</b>	<b>15,235.92</b>	<b>14,697.92</b>
<b>NON-OPERATING REVENUE...</b>					
	<b>CHANGE IN NET POSITION</b>	<b>6,469.00</b>	<b>538.00</b>	<b>15,235.92</b>	<b>14,697.92</b>

**Engineering**  
**Change In Net Position**  
**For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$1,203,271.00	\$100,273.00	\$87,673.66	(\$12,599.34)
	<b>Total Operating Revenue</b>	<b>1,203,271.00</b>	<b>100,273.00</b>	<b>87,673.66</b>	<b>(12,599.34)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	12,700.00	1,058.00	1,475.55	417.55
	Salaries	704,088.00	58,674.00	36,612.44	(22,061.56)
	Fringe Benefits	315,184.00	26,266.00	23,077.56	(3,188.44)
	Operation & Maintenance	59,050.00	4,920.00	722.00	(4,198.00)
	Office & Administration	61,549.00	5,129.33	1,452.51	(3,676.82)
	Insurance	26,300.00	2,192.00	2,191.67	(0.33)
	Professional Fees	2,000.00	167.00	1,068.75	901.75
	Automobile	15,400.00	1,282.67	781.64	(501.03)
	Computer Expenses	36,400.00	3,033.00	19,313.80	16,280.80
	Admin Allocation	55,784.00	4,649.00	4,267.40	(381.60)
	Engineering Allocation	(79,552.00)	(6,629.00)	(18,303.54)	(11,674.54)
	NYS Administrative Assessment	7,173.00	598.00	0.00	(598.00)
	<b>Total Operating Expenses</b>	<b>1,216,076.00</b>	<b>101,340.00</b>	<b>72,659.78</b>	<b>(28,680.22)</b>
	<b>Total Operating Income</b>	<b>(12,805.00)</b>	<b>(1,067.00)</b>	<b>15,013.88</b>	<b>16,080.88</b>
<b>NON-OPERATING REVENUE...</b>					
	<b>CHANGE IN NET POSITION</b>	<b>(12,805.00)</b>	<b>(1,067.00)</b>	<b>15,013.88</b>	<b>16,080.88</b>

**Regional Development  
Change In Net Position  
For the One Month Ending Friday, April 30, 2021**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$134,876.00	\$11,240.00	\$7,418.80	(\$3,821.20)
	Grant Revenue	1,117,792.00	93,149.00	114,982.10	21,833.10
	Loan Interest Income	564,000.00	46,999.00	35,725.69	(11,273.31)
	Other Income	20,550.00	1,713.00	6,617.13	4,904.13
	<b>Total Operating Revenue</b>	<b>1,837,218.00</b>	<b>153,101.00</b>	<b>164,743.72</b>	<b>11,642.72</b>
<b>OPERATING EXPENSES</b>					
	Salaries	387,213.00	32,267.00	22,973.56	(9,293.44)
	Fringe Benefits	173,966.00	14,497.00	12,541.56	(1,955.44)
	Operation & Maintenance	12,000.00	1,000.00	0.00	(1,000.00)
	Community Benefits	133,411.00	11,118.00	0.00	(11,118.00)
	Office & Administration	20,550.00	1,717.00	500.00	(1,217.00)
	Bad Debt Expense	0.00	0.00	(1,012.79)	(1,012.79)
	Professional Fees	192,819.00	16,070.00	10,641.99	(5,428.01)
	Computer Expenses	750.00	63.00	0.00	(63.00)
	Grants	284,570.00	23,714.00	57,491.05	33,777.05
	Admin Allocation	164,317.00	13,694.00	12,398.26	(1,295.74)
	Engineering Allocation	3,763.00	314.00	544.12	230.12
	<b>Total Operating Expenses</b>	<b>1,373,359.00</b>	<b>114,454.00</b>	<b>116,077.75</b>	<b>1,623.75</b>
	<b>Total Operating Income</b>	<b>463,859.00</b>	<b>38,647.00</b>	<b>48,665.97</b>	<b>10,018.97</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	198,043.00	16,502.00	20,096.55	3,594.55
	<b>Total Non-Operating Expe...</b>	<b>198,043.00</b>	<b>16,502.00</b>	<b>20,096.55</b>	<b>3,594.55</b>
	<b>CHANGE IN NET POSITION</b>	<b>661,902.00</b>	<b>55,149.00</b>	<b>68,762.52</b>	<b>13,613.52</b>