

## **MEETING NOTICE**

**Thursday, June 23, 2022  
Materials Management Facility  
23400 NYS Route 177  
Rodman, New York**

### **Zoom Videoconference & Conference Room**

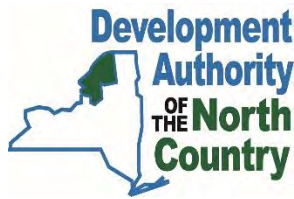
### **Board of Directors – 10:30 AM**

Pursuant to Open Meetings Law, members of the public have the right to attend the Meeting telephonically via Zoom by dialing into the following access line, or view the proceedings using the following link:

**Dial In Number: 1-646-876-9923 Meeting ID: 827 5938 2346 Passcode: 255564**

**<https://us02web.zoom.us/j/82759382346?pwd=L2tmSlczWXZOZ3NZRnJ2MHZsMIM0dz09>**

**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 23, 2022 – 10:30 AM**

**Materials Management Facility**

**Conference Room and Zoom Videoconference**

**23400 NYS Route 177, Rodman, New York**

1. Call to Order
2. Call the Roll
3. Privilege of the Floor
4. Approve the Minutes of May 26, 2022 Board Meeting
5. Chairperson's Report
  - a. Service Recognition of Frederick J. Carter, Sr.
  - b. Southern Expansion Ribbon Cutting at 1:00 PM
6. Executive Director's Report
  - a. FYE 2022 Annual Report
7. FYE 2022 Investment Report – RBC
8. Independent Audit – Bonadio Group
  - a. Resolution No. 2022-06-52, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2022
  - b. Resolution No. 2022-06-53, Approving the Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year 2022
  - c. Resolution No. 2022-06-54, Approving Annual Bond Sales Report for Fiscal Year Ending March 31, 2022
9. Finance Report – Chief Financial Officer  
Approving Financials for the month ending April, 2022
10. Technical Services Summary Report
  - a. Non-Lewis County Contracts –

- I. Fort Drum, Memorandum of Understanding, GIS Data Sharing, 7/01/22 – 7/01/23
- II. Town of Hermon, Technical Services Agreement, Main Street New York Grant Assistance, Total Agreement Amount of \$1,500, 6/01/22 – 7/30/22, St. Lawrence County
- III. Village of Richville, Technical Services Agreement, Engineering Planning Grant and USDA Grant Assistance, Total Agreement Amount of \$3,800, 7/01/22 – 12/31/2022, St. Lawrence County
- IV. Town of Diana, Technical Services Agreement, Water System Improvement Project Amendment 3, Total Agreement Amount of \$55,000, 7/1/22 – 12/31/2023, Lewis County
- V. Village of Potsdam, Technical Services Agreement, NBRC Grant Administration Total Agreement Amount of \$7,150, 7/1/22 – 9/30/2024, St. Lawrence County

#### 11. Materials Management -

- a. Resolution No. 2022-06-55, Materials Management Division, FY2022-2023 Capital Budget Amendment, Main Pump Station Upgrade Project
- b. Resolution No. 2022-06-56, Materials Management Facility, Monitoring Well Decommissioning Project, State Environmental Quality Review Act Determination
- c. Resolution No. 2022-06-57, Materials Management Division, FY2022-2023 Capital Budget Amendment, Leachate Truck Tractor Equipment Replacement

#### 12. Water Quality –

- a. Resolution No. 2022-06-58, Phase I Army Water Line Pipeline Replacement Project, Office of Local Defense Community Cooperation, Defense Community Infrastructure Pilot Program

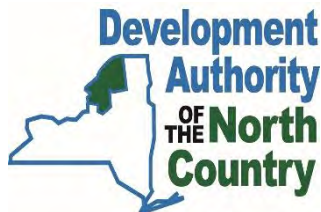
#### 13. Regional Development –

- a. Loan Report -
- b. Resolution No. 2022-06-59, 2022 Home Program Year, Authorizing Contracts
- c. Resolution No. 2022-06-60, Regional Tourism Transformational Community Revolving Loan Fund, James Andrew Milne, or New Corporation to be Formed, Loan Modification
- d. Resolution No. 2022-06-61, Community Development Loan Fund, Cranberry Lake Mountaineers Snowmobile Club, Inc., Loan
- e. Resolution No. 2022-06-62, Grant Agreement, North Country Digital Film Projector Conversion Fund, Empire State Development

#### 14. PowerPoint Presentation - Solar Feasibility Project Update

#### 15. Next Meeting – August 25, 2022

#### 16. Adjourn



**MINUTES**  
**BOARD OF DIRECTORS MEETING**  
**Thursday, May 26, 2022 – 10:30 AM**  
**Dulles State Office Building**  
**317 Washington Street, Watertown, New York**

The Development Authority of the North Country Board of Directors met in regular session in person and via Zoom Videoconference at the Dulles State Office Building, 317 Washington Street, Watertown, New York on Thursday, May 26, 2022 at 10:30 am.

**Members Present**

Voting

Margaret Murray, Chairperson  
Thomas Hefferon  
Alex MacKinnon  
Dennis Mastascusa  
Mary Doheny  
Mark Hall  
Eric Virkler

Non-Voting

Nancy Henry  
James Hollenbeck  
Brian McGrath

**Members Absent**

Stephen Hunt

**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 of Regional Development  
Laurie Marr, Director of Communications and Public Affairs  
Brian Nutting, Director of Water Quality  
Patricia Pastella, Director of Materials Management  
David Wolf, Director of Telecommunications  
Angela Marra, Executive Assistant

**Guests:**

Jennifer Granzow, Counsel, Wladis Law Firm  
Jeremiah Evans, Union President, Ogdensburg

1. Chairperson Murray called the meeting to order at 10:31 AM.
2. Chairperson Murray requested a roll call.
  - A quorum of voting and non-voting members was established.

3. Privilege of the Floor was offered
4. Upon a motion by A. MacKinnon, and seconded by E. Virkler, the minutes from the March 24, 2022 Board Meeting, were approved.

5. Chairperson's Report

a. June 23<sup>rd</sup> Board Meeting - MMF

Chairperson Murray stated that this meeting will be held in Rodman at the Materials Management Facility and will include a ribbon cutting for the Southern Expansion and we would hope that all Board members can attend.

b. Annual Board Evaluation Forms

Chairperson Murray extended her appreciation to the Board for completing the Board Evaluation and Executive Director Performance Evaluation. Both documents have been compiled and will be reviewed in executive session during this meeting.

6. Governance –

- c. Resolution No. 2022-05-36, approves the Pesticide Use Policy with modifications cited within the resolution.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-05-36, Approving Modifications to Pesticide Use Policy, was unanimously approved.

7. Technical Services Summary Report –

C. Tuttle reviewed the Technical Services Summary Report and noted that these contracts are within our service area and generate revenue under \$100,000 annually.

a. Non-Lewis County Contracts -

- I. Town of Morristown, Technical Services Agreement, Local Waterfront Revitalization Program Update, Total Agreement Amount of \$15,000, 5/10/22 – 11/30/22, St. Lawrence County
- II. Village of Clayton, Technical Services Agreement, Department of Public Works Asset Management Program Plan, Total Agreement Amount of \$7,500, 4/25/22 – 8/25/22, Jefferson
- III. Town of Edwards, Technical Services Agreement, Water System Assessment, Total Agreement Amount of \$5,500, 5/12/22 – 11/30/2022, St. Lawrence County
- IV. Village of Tupper Lake, Technical Services Agreement, Additional Water Meter Services, Total Agreement Amount of \$64,000, 6/1/22 – 7/31/2024, Franklin County

- V. Town of DeKalb, SCADA Services Agreement, DeKalb SCADA Services for WWTP Improvement Project, Total Agreement Amount of \$88,000, 6/1/22 – 12/31/2023, St. Lawrence County
- VI. Town of Diana, SCADA Services Agreement, Diana SCADA Services for Water System Improvements Project, Total Agreement Amount of \$54,000, 4/1/22 – 12/31/23, Lewis County
- VII. Village of Lowville, GIS Hosting Agreement, Village of Lowville GIS Hosting Agreement, Total Agreement Amount of \$8,300, 6/1/22 – 5/31/27, Lewis County
- VIII. Village of Turin, GIS Hosting Agreement, Village of Turin GIS Hosting Agreement, Total Agreement Amount of \$4,400, 6/1/22 – 5/31/27, Lewis County
- IX. Town of Wilna, Operation & Maintenance Agreement, Town of Wilna O&M Wastewater Facilities, Total Agreement Amount \$48,262, 5/27/22 – 5/31/27, Jefferson County
- X. NYPA, Memorandum of Understanding, NYPA/DANC Pilot – Broadband Deployment, Total Agreement Amount \$49,000, 2/1/22 – 1/31/23, St. Lawrence/Lewis Counties

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, the contracts included on the Technical Services Summary Table for the month of May were unanimously approved.

8. Engineering –

- a. Resolution No. 2022-05-37, approves the Technical Services Agreement between the Authority and the Village of Tupper Lake. The Executive Director is authorized and directed to execute this Agreement Amendment.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-37, Technical Services Agreement Amendment, Village of Tupper Lake, Water System Improvement Project, was unanimously approved.

9. Water Quality –

- a. Resolution No. 2022-05-38, authorizes the Executive Director to enter into this Water Service Agreement with the Village of Dexter.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Resolution No. 2022-05-38, Water Service Agreement, Village of Dexter, Regional Water Line, was unanimously approved.

- b. Resolution No. 2022-05-39, determines the Army Waterline Pipeline Replacement Project Improvements project is a Type II Action and will have no significant adverse impact on the environment resulting in no Environmental Impact Statement needing to be prepared, and no further action with regard to SEQRA being required.

A MacKinnon asked if we had already started this project because he noticed digging on Route 11 by the trail. C. Tuttle stated that that while in the same vicinity, the digging is a Town of Pamela project.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-39, Army Waterline Pipeline Replacement Project Improvements, SEQRA Type II Action, No Significant Impact on the Environment, was unanimously approved.

- c. Resolution No. 2022-05-40, authorizes the Authority to execute, sell, and deliver bonds or notes having a maturity not to exceed 30 years to finance costs in an amount not to exceed \$10,000,000 to replace approximately 13,000 feet of ductile iron pipe with high density polyethylene pipe. It is further resolved that the Chairperson, Vice Chairperson, and Executive Director are designated Authorized Representatives of the Authority and are further authorized to sell all or a portion of the bonds or notes to the New York State Environmental Facilities Corporation. The person executing the Financing Documents is authorized to agree to changes, insertions, omissions and modification as they may approve. This resolution shall take effect immediately. A copy of the resolution and the attachments will be on file in the Authority office and available for public inspection during business hours. The project is a Type II Action under the State Environmental Quality Review and requires no further action under SEQRA.

C. Farone explained that the Authority will be authorized to issue bonds up to \$10 million. He further noted that bond council has reviewed such resolution.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-40, Reconstruction Financing, Fort Drum Water Line, Issuance and Sale of Authority Bonds, Note(s) or Other Obligations, was unanimously approved.

- d. Resolution No. 2022-05-41, authorizes the Director of Regional Development to submit an application for a grant up to 70% of the total project costs not covered by other federal grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation. Furthermore, the Director of Regional Development is authorized to execute the grant agreement with the Office of Local Defense Community Cooperation, and if funded implement the grant.

C. Farone stated this resolution goes with Resolution 2022-05-40, providing an option to obtain funding if the Authority is not approved for grant funding.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-41, Phase I Army Water Line Pipeline Replacement Project, Office of Local Defense Community Cooperation, Defense Community Infrastructure Pilot Program, was unanimously approved.

## 10. Telecommunications –

- a. PowerPoint Presentation – Rural Broadband Deployment

D. Wolf explained that the governor announced a \$1 billion Connect All Initiative in January. There was approval to conduct a pilot to leverage existing state fiber assets as part of the state budget under a New York Power Authority (NYPA)

initiative. NYPA approached the Authority asking how to better utilize fiber already within their transmission corridors in Buffalo and Sherburne, which we declined due to being outside the Authority's area of service. NYPA later agreed to complete projects in Lewis and St. Lawrence Counties and one of their original selected areas. This resulted in projects being proposed in the Town of Pitcairn, Town of Diana, and Sherburne plus one additional in Nichols, New York. We will be working through a public-private partnership where we will tap into the fiber NYPA has to build to unserved homes in these areas. 140 residents will be connected in the Town of Pitcairn and 150 residents in the Town of Diana. We have assisted with consulting, data collection, and pole attachments in Sherburne. NYPA has been helpful in communicating with National Grid to complete this project. A public announcement will be made in Sherburne on May 27 with the Broadband Program office from ESD and several other state and local officials, as well as Ryan Piche from Lewis County. D. Wolf further explained the public-private partnership in that the Authority will be tapping into NYPA's backbone, the Authority will build out the infrastructure, and SLIC will build off our cable to the customer's homes to provide the service, equipment and billing. SLIC will in turn share a portion of the revenue with the Authority to cover pole attachment fees and ongoing maintenance.

C. Farone stated that NYPA approached the Authority about working to help the whole state. C. Farone and D. Wolf met with some of their executives and declined because our priority is within Jefferson, Lewis, and St. Lawrence Counties. NYPA then agreed to focus on two areas within our tri-county area, resulting in the Authority agreeing to help with engineering in an area outside our service area. The construction costs for these projects will be reimbursed by NYPA, and the Authority will then collaborate with SLIC to provide the actual internet.

D. Mastascusa asked if the 5% of unserved households was 5% of the total unserved in the three-county area. D. Wolf replied that the 5% was in St. Lawrence County, and a little more than that in Lewis County.

- b. Resolution No. 2022-05-42, authorizes the Executive Director to enter into an Agreement with NYPA to deliver broadband services to approximately 150 unserved homes in the Town of Diana in Lewis County, and to Approximately 140 unserved homes in the Town of Pitcairn in St. Lawrence County. Furthermore, the Executive Director is authorized to enter into an agreement with a Fiber to the Premise service provider to deliver the broadband service. The Authority Comptroller is authorized to establish a "NYPA Fiber to the Premise" capital project in the amount of \$1,400,000 with funds to come from the telecommunications capital reserve fund. This reserve will be replenished by NYPA upon completion of the project.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-05-42, Capital Project, Telecommunications, New York Power Authority Fiber to the Premise, was unanimously approved.

## 11. Regional Development -

- a. Loan Report –

M. Capone reported there are a couple loans over 30 days that she is working with to help make their payments. GOCO Ventures is at 86 days, but have assured her that they had issues with their bank withdraw and that it was being processed to bring them current.

M. Capone also reported that the Project Development Committee met on May 24 to discuss a workout scenario for MCM Development Malone. This loan was approved as a write off at the March Board meeting. Following them receiving the papers from our attorney, they reached out and wanted to work on their loan. M. Capone requested information, which she presented to the Project Development Committee, and they accepted. MCM Development Malone intends to bring their payments current through June of 2022 and will then sign a confession of judgement, meaning we will not file the judgement as long as they are making good on all their payments to us. This collection action will not have a resolution.

M. Doheny asked the dollar amount they are behind due to be paid in June of 2022. M. Capone responded \$17,000, and further stated that they do have about \$260,000 in employment tax credits that they filed in 2021 and have yet to receive. Senator Schumer's office has confirmed the check is in the mail. These funds are what they will use to bring us current.

B. McGrath asked about a loan discussed at the last meeting where we were pursuing legal action which had been referred to the Barclay firm months ago and was just being filed, had been followed up on. M. Capone replied that at this time she only knows that they were served, she is unsure why Barclay took as long as they did. B. McGrath renewed his request that we find the cause of the delay. M. Capone confirmed that she would ask.

- b. Resolution No. 2022-05-43, ratifying the grant/loan commitment in the amount of up to \$144,000 (\$72,000 loan/\$72,000 grant) from the North Country Redevelopment Fund to BRB Café, LLC at the terms and conditions outlined in the term sheet attached to the resolution, consistent with the Empire State Development program requirements, and further authorizes the Executive Director to execute all documents necessary to make the loan. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

B, McGrath asked if these are Authority funds, or ESD funds that we administer. M. Capone stated these are grant funds the Authority received from the Empire State Development (ESD) and once we lend them and they are revolved, they become our funds.

B. McGrath asked what the purpose of the grant was. M. Capone replied that the program was created with a grant from ESD to rehabilitate vacant and dilapidated buildings. This program can provide up to 90% financing, with 10% owner cash contribution. This project is taking a blighted building and putting it back into productive use with a restaurant and market-rate apartments. This project also received Restore New York funding from the state for the same purpose. We have done other projects through this program such as the J&L Property in St. Lawrence County, Lyons Falls Pulp and Paper Mill in Lewis County, and Frontiertown in Essex County. The end use of the building does not matter, only that the building is being put back into productive use.

After noticing that this resolution is at 1%, as well as others in the read ahead packet, B. McGrath asked if there is a limit on the interest rate or if that is what the program requires. M. Capone replied that the work plan that was submitted to ESD to utilize these funds did specify 1% interest rate. Once all funds have been lent out and revolved, we can revisit increasing the interest rate. She further stated that she would be reviewing all interest rates for all Development Authority loan funds.

Upon a motion by E. Virkler, and seconded by A. MacKinnon, Resolution No. 2022-05-43, North Country Redevelopment Loan Fund, BRB Café, LLC, Ratifying Loan and Grant, was unanimously approved.

- c. Resolution No. 2022-05-44, ratifying the grant/loan commitment in the amount of up to \$500,000 (\$250,000 loan/\$250,000 grant) from the North Country Redevelopment Fund to 259 JB Wise Partners, LLC at the terms and conditions outlined in 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. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-44, North Country Redevelopment Loan Fund, 259 JB Wise Partners, LLC, Ratifying Loan and Grant, was unanimously approved.

- d. Resolution No. 2022-05-45, ratifying the grant/loan commitment in the amount of up to \$300,000 (\$150,000 loan/\$150,000 grant) from the North Country Redevelopment Fund to River Creek, LLC at the terms and conditions outlined in 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. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-45, North Country Redevelopment Loan Fund, River Creek, LLC, Ratifying Loan and Grant, was approved.

- e. Resolution No. 2022-05-46, authorizes a loan from the Economic Development Fund in an amount up to \$350,000 to the Potsdam Consumer Cooperative Inc. at the terms and conditions outlined in the term sheet attached to the resolution, and authorizes the Executive Director or Chief Financial Officer to execute all appropriate documents necessary to make the loan. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-05-46, Economic Development Fund, Potsdam Consumer Cooperative, Inc. Bridge Financing Loan, was unanimously approved.

- a. Resolution No. 2022-05-47, approves the loan modification for Cambray Housing Corporation through September 1, 2022, and authorizes the Executive Director or Director of Regional Development to execute all necessary documentation.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-47, Affordable Rental Housing Program, Cambray Housing Corporation, Loan #1 Modification, was unanimously approved.

- b. Resolution No. 2022-05-48, approves a loan up to \$250,000 for the Cambray Housing Corporation from the Affordable Rental Housing Program at the terms and conditions attached to the resolutions, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documentation. This resolution further accepts the action of the Village of Gouverneur Planning Board taken under the State Environmental Quality Review and affirms negative declaration for this project.

M. Capone explained that if we were to do 2%, the cash flow would not work and felt it best to keep it at \$250,000 for 30 years at 1% annual interest with a balloon payment at the end. She further explained this project is in dire need of rehabilitation, and 1% is not unusual for an affordable housing project. This loan will still have a co-proportional first mortgage on the real estate with New York State.

B. McGrath stated there are good policy reasons to move forward with this. He further stated it is important for everyone to be clear on the 1% interest rate that we will lose money to issue these funds.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-48, Affordable Rental Housing Program, Cambray Housing Corporation, Loan #3, was unanimously approved.

- c. Resolution No. 2022-05-49, accepts the Annual Report, waives the Annual Meeting of the Housing Development Fund Company by written consent, and appoints Dennis Mastascusa as Vice President, and effective May 26, 2022 the remaining directors of the HDFC shall continue in office until the next Annual Meeting.

M. Capone stated that the remaining directors, T. Hefferon, C. Farone, and M. Capone, will remain effective and shall continue in office until the next annual meeting.

Upon a motion by E. Virkler, and seconded by A. MacKinnon, Resolution No. 2022-05-49, Annual Report, Creek Wood Housing Development Fund Company, Inc. Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- d. Resolution No. 2022-05-50, accepts the Annual Report, waives the Annual Meeting of the Housing Development Fund Company by written consent, and appoints Dennis Mastascusa as Vice President, and effective May 26, 2022 the remaining directors of the HDFC shall continue in office until the next Annual Meeting.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-50, Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- e. Resolution No. 2022-05-51, consenting to the interest transfers and assignment of management rights, further authorizing and empowering the Development Authority of the North Country to execute, and deliver certain documents including, but not limited to, any consent letters, waivers of rights granted under any purchase options, or rights of first refusal, as well as any and all other agreements, documents, certificates, instruments and amendments to be executed in connection with such consents. This resolution further resolves that the Development Authority transfer interest of Creekwood I LLC and Creekwood II LLC to Beacon. All action taken and all instruments executed by authorized persons on behalf of Development Authority prior to the adoption of these resolutions, with respect to the financing and operation of the properties and all matters related thereto, are ratified, confirmed and approved. The Executive Director is authorized and empowered to act on behalf of the Development Authority, Creekwood I HDFC, and/or Creekwood II HDFC, as applicable, and take any and all other actions as the Executive Director may deem necessary or desirable in connection with Interest Transfer and the Assignment of Management Rights, and execute and deliver the Transaction Documents and to otherwise carry out the intent of the foregoing resolutions and the consummation of the transactions described therein. Lastly, this resolution may be executed by facsimile, electronic signature, or PDF, for all purposes to be deemed an original.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-51, Consent and Resolutions, Creek Wood Housing Development Fund Company, Inc., Creekwood I, LLC, Creekwood II, LLC, Summit Wood Homes, was unanimously approved.

## 12. Executive Session –

Upon a motion by A. MacKinnon, and seconded by E. Virkler, the Board moved into Executive Session at 11:19 AM.

Upon a motion by A. MacKinnon, and seconded by J. Hollenbeck, the Board moved out of Executive Session at 11:30 AM.

Chairperson Murray stated no action was taken.

## 13. Executive Director's Report -

- a. Telecommunications Committee Update –

The Telecommunications Committee met at the end of April to review the results of the RFP that had been released to evaluate our telecommunications system, industry trends, and to help staff with developing the five-year strategic

plan for the telecommunications system. The RFP was posted to the Authority website, emailed to 19 telecommunications companies, 52 entities downloaded the RFP, 18 attended the pre-RFP meeting, and zero proposals were received. Authority staff contacted most of the entities who attended the pre-bid meeting to ask why, and were told there is too much work right now and that many do not have the staff or the resources to respond to this RFP. Based upon there being zero responses, the Telecommunications Committee reviewed the following three options for moving forward; the RFP could be reissued, the five-year strategic plan could be completed in-house, or the plan could be tabled temporarily. After some discussion, the committee decided to table the RFP and reevaluate it in September of 2022. At that time, it will be decided if we will reissue the RFP

b. Harrisville RFP –

An RFP was issued for the purchase and redevelopment of the Harrisville property. We received several phone calls and one letter response, but the letter was not a full proposal to purchase and re-develop the property. We would like to meet with those entities that have expressed interest in the property and determine if it is feasible for them to purchase and redevelop the property. We will follow-up by having staff reach out to these companies and ask about their plans for redeveloping the property. We have been working with the Lewis County IDA to advertise that this property is available and believe we are still in a good position to move this project forward.

c. Army Water Line – EPA Administrative Order -

The Development Authority received an administrative order from the EPA earlier this year regarding disinfection by-products in the Army water line. The Authority immediately contacted the City of Watertown to ask what plans they have to mitigate the disinfection by-products. The following week the City Manager confirmed the city had authorized an engineering firm to complete a study to determine what needed to be done to reduce the disinfection byproducts in City water. On April 18<sup>th</sup> C. Tuttle, B. Nutting and C. Farone met with the EPA where it was determined that they would like the Authority to work with the city to resolve this issue. The EPA was very clear that the solution needs to collectively resolved for the City and the outside users on our water line. The Authority has a meeting set up with the City for next Friday to discuss the timeframe for correcting this situation.

d. NYS Open Meetings Law –

The Development Authority has been able to use videoconferencing to conduct business. We have a legal opinion from counsel supporting this. Under the current Open Meetings Law, we are meeting our obligations when we post the Zoom link and Authority web address on our meeting notice. Through the budget process, a language change was noticed making this more complicated. If the Authority is going to continue to allow Zoom meetings, and in order for the individual(s) participating on Zoom to count as a quorum, we must post that individual's address or location on our meeting notice. If we choose not to include the addresses on our meeting notice, those members would be able to vote during the meeting but would not count toward the quorum. J. Granzow also added that to participate remotely, whether you counted toward the quorum or not, you would need to be visible to the public. C. Farone further stated that this would be in effect after the emergency order

is lifted, and currently Governor Hochul has extended this order for COVID through June 14. He further stated that in order to allow Board Members to participate at a location that is not open to the public, we would need to have a public hearing followed by a Board resolution stating exactly what the circumstances are for granting access via video conferencing. Being able to use videoconferencing has helped us to meet our quorum requirements and while we are currently fine, C. Farone suggested that we should have a public hearing and draft a resolution that allows for these extenuating circumstances to have on record.

A. MacKinnon stated that his address is in the phonebook and on the internet. He further commented when he was on the Board of Legislators, he went to Florida and he had to disclose where he was staying, and allow anyone who wanted to attend the meeting to come. While he did not have too many people come, it was still a reality.

B. McGrath stated that he is usually in his office and has no issue with this being publicized for people to attend at that location. He further asked if we could hold a hearing and have a resolution that would allow in circumstances where for whatever reason we do not wish to disclose our location, that person could participate but not for quorum purposes. J. Granzow responded that if the Board member needs to be counted for quorum, their location has to be publicized and open to the public, but you could attend for non-quorum counting purposes and attend remotely without your location being published to the public. She stated that she expects there will be challenges and changes to this because utilizing remote services has greatly improved attendance and participation. She suggested that if the Board determines what will be considered extenuating circumstances to allow for remote participation that they include "in the reasonable discretion of the executive director or chairperson of the Board", so when there are situations that arise we are able to get this discretion.

J. Granzow stated that we expect there will be changes to this as more boards become aware of the actual impact this will have, but in the mean time we would like to have a resolution from the Board that would allow remote participation that will set forth in stating there are some things that are always going to be considered extenuating circumstances to permit remote attendance, and also have a catch-all that states "as reasonably determined by either the Board Chairperson or the executive director" to cover private circumstances.

B. McGrath stated he is in favor of such a resolution.

e. June 23<sup>rd</sup> Board Meeting –

This meeting will be held at the Materials Management Facility in Rodman, followed by a ribbon cutting for the Southern Expansion. C. Farone further commented that he hopes to have as many Board members as possible attend this meeting in person. This is a project that has been in process for 18 years, and we are very excited about the southern expansion opening.

f. City of Ogdensburg – Request for Services -

The Authority received an official request from the City of Ogdensburg City Council requesting that the Authority expand the services currently being provided in the City of Ogdensburg. The Authority is currently providing the City of Ogdensburg with management services with one person on site to provide oversight for facility operations. We also provide experts in GIS and SCADA to oversee everything. In the request from the City of Ogdensburg, they asked for the Authority to not only provide the management services, but also provide expanded services to include the employment of those individuals that actually run the plant's water and wastewater.

C. Tuttle explained that the City of Ogdensburg passed a resolution at their May 9 council meeting, in which they requested the Authority to provide a proposal to provide water quality management services and also operation and maintenance services. This request is different from the current services provided in that both of those services are provided, but not in the same location. The current Authority management services contracts include the Village of Clayton, Village of Carthage, City of Ogdensburg and the City of Malone. At each of these locations, the Authority has a full-time staff member that is a supervisor, typically with an engineering background, overseeing the management of that facility. Their duties include overseeing financial responsibility for developing budgets for water and wastewater, all regulatory compliance matters, and overseeing municipal staff doing the day-to-day operations. The operators in those facilities are not Authority employees, but they do work for the Authority in that we supervise them and set their schedules as per the terms of the management services contracts. Operation and Maintenance contracts are smaller contracts the Authority has with the Town of LeRay, Town of Champion, Town of Pamela, DeKalb Junction, Gouverneur, Newton Falls, Heuvelton, Lisbon, Morristown, and many others. In these situations, there are no municipal employees to do the day-to-day operations, but instead are done by Authority employees that are the operators. These are not typically engineers or have degrees, but they do have licenses that are necessary to provide these services. In many of the small plants, the operations are so small they may not require a full time operator. This allows those contracts to be grouped, and we may have one staff member that is the chief operator for several small plants. This request from Ogdensburg would put our management services and our operation and maintenance contract together with the Authority providing all of these services under a single service contract. This would require five new staff positions. The city currently has six staff positions; however, the Authority also has an existing vacancy that has yet to be filled since being approved by the Board in the water quality division. To move forward with this request the Authority would want to bring on the city's six staff members. Operators are hard to come by, and these staff have various levels of licensing that are necessary. In many cases, Authority staff have trained those operators. C. Tuttle further explained that this aligns with the Authority's strategic plan for one to five years by seeking opportunities to assist new municipal customers with sewer and water services, to enhance service levels, and reduce costs through improved processes. As stated in our strategic plan, the Authority would explore the feasibility of and opportunities to pilot one or more water source plants and/or sewage treatment plants, to demonstrate capabilities, and gain experience in the operation of these service facilities. C. Tuttle shared a map showing Ogdensburg as being surrounded by other municipal contracts operated by the Authority. Strategically placed

clusters of contracts in the same area allow for greater efficiency when providing operation and maintenance services. The Authority can provide Ogdensburg with the necessary services and experience. The city is in a financial hardship position and they currently have the highest tax rate in the county. They are looking for changes they can make to help make the city sustainable, and have expressed they would like to explore this opportunity as it could result in cost savings. C. Tuttle discussed the benefit of the City of Ogdensburg receiving the wastewater from the Village of Heuvelton as well as the offsetting revenue. The potential of having a regional system in Ogdensburg that could receive outside waste from other municipalities could affect tax rates and sewer rates for the city and the surrounding communities. This is very similar to what the Authority already does in Jefferson County with both the Army sewer line, Army water line, and the Regional Water Line. This opportunity could also be beneficial to the Authority in providing a complex wastewater treatment plant and water treatment plant to train operators for licensing. The only other plant of this level in our region is in Watertown and it is typically difficult to license staff at these levels with limited locations to train.

C. Tuttle concluded in stating it is the staff's recommendation that we respond to this request from the City of Ogdensburg for the reasons discussed. This would entail preparing a contract as is done for other communities when they request our services. This proposal would identify the scope of services and fees for those services and would be presented to the city council to evaluate and make a decision regarding how they would like to proceed.

D. Mastascusa asked if the Authority was going to own any infrastructure and what is the analysis of the infrastructure there. C. Tuttle replied that the wastewater treatment plant is concluding a \$43 million capital improvement project, which the Authority was contracted to oversee. This project should be completed in December, resulting in all the mechanical and electrical equipment within the plant being replaced. Their collection system is in need of work, but that would not be the Authority's responsibility as it would be under the city's department of public works. The water treatment side is much less complicated, but is in need of improvements and has an upcoming capital project in the process of being funded.

J. Hollenbeck asked if the Authority would essentially absorb the six city employees. C. Tuttle responded yes, this is part of the proposal.

Jerimiah Evans, the City of Ogdensburg Union President, requested permission to comment on the Authority putting in the proposal to take over full control of the Ogdensburg water and wastewater treatment plants. C. Farone agreed. J. Evans continued by stating "DANC came to Ogdensburg several years ago to fill the void of an operator at their wastewater treatment plant as a hybrid model that is used at other facilities. At first the city employees were unsure of DANC coming to their facilities and C. Tuttle reassured them that the Authority never wanted to take full control of their facility. She also gave tours of other facilities that ran on the hybrid model to help ease their worry. This model seems to be working well because we've been using them for several years. Currently there are six city employees that control these duties inside and out of the water wastewater treatment facilities. They also assist the Department of Public Works in other tasks as needed. Will you [the Authority]

be able to provide the same level of service? Most of these employees are city residents and are able to respond to an emergency within minutes. Would you [the Authority] be able to provide the same level of service? Our understanding of DANC in the North Country was to help fill the voids that could not be filled by current staffing, and we are capable of staffing our plants with city employees except for a wastewater treatment operator, which has been provided by you [the Authority] in the last several years. We have run the numbers as an organization, and we can't quite figure out how it would even be a cost savings to the city, unless you didn't keep the six staffing members full time at our facilities, which you recommend, or you're basically robbing Peter to pay Paul, which would be other municipalities would be footing the bill because DANC employees make more money than our employees. We actually lost an employee to DANC because of money. Both New York State Retirements System and health care are similar across the board. We don't want to lose these union jobs or the unions in these facilities and we will not sit by and just let this happen." J. Evans concluded and thanked the Board for their time.

J. Hollenbeck asked J. Evans if he was CSEA. J. Evans replied yes.

C. Farone stated this request came from the city council where they voted and have requested the Development Authority provide a proposal. This proposal would provide the city with a comparison they could use with current costs and make an informed decision. It would then be their decision if they deem the Authority to be the cost-effective method of moving forward. Ultimately, this is the Authority trying to do what is right for the benefit of the communities we serve. This is a direct request from the city council of Ogdensburg for the Development Authority to provide these services. C. Farone further stated that the Authority should honor their request and provide them with a proposal for services. This gives the city an option to evaluate costs.

D. Mastascusa asked to clarify that the six city employees will become Authority employees. He further asked that no one was to lose their job or be asked to relocate. C. Farone stated that is correct.

J. Evans asked if the Authority was going to guarantee that those six employees were to only work in the City of Ogdensburg. C. Tuttle replied we would not.

D. Mastascusa asked if those employees had to leave the City of Ogdensburg, would they be reassigned to closely located communities where the Authority already provides services. C. Tuttle replied yes, as they would rather have people in plants not in trucks.

B. McGrath asked for more information about the following points raised by Mr. Evans; prior representations that the Authority would always proceed in partnership rather than takeover, the notion that the Authority has pulled employees from the City of Ogdensburg, and would the Authority running this project have any kind of impact on response time to emergencies. C. Farone responded that the Authority's motto is that we go where we are asked and this the Authority responding to a request from the City of Ogdensburg. We are not soliciting this business. C. Tuttle responded that the employee referenced that

came to work at the Authority was not approached by the Authority to recruit them. The employee applied for an advertised vacancy that the Authority had advertised within the Water Quality division, was interviewed, received an offer, and accepted that offer. This was the employee's decision to leave employment with the City of Ogdensburg and choose to work for the Authority. C. Tuttle continued to answer the question regarding response time. The current plan is to hire the employees that are providing that service now. Not all of these operators live within the City of Ogdensburg as that is not a requirement of being an operator. Within all of our contracts we have goals regarding response time and this would be no different with our current contract with the City of Ogdensburg or with any other municipal contracts. We have people strategically located throughout our service area allowing us to respond throughout the three county service area we serve.

J. Hollenbeck stated that as a union representative, he is not in favor of eliminating union positions, but the ultimate decision rest with the City of Ogdensburg.

M. Doheny asked to clarify what was being asked of the Board today, in that the request is only to approve the preparation of the proposal to be made to the City Council of Ogdensburg at this point. C. Farone stated that is correct.

(Zoom connection was lost and quickly restored.)

E. Virkler asked as this moves forward, would the decision come back to the Board for formal approval once the city has accepted the agreement. C. Farone responded yes.

B. McGrath commented that more discussion is necessary as to whether this fits our mission and purpose and this should require a bit more consideration. He also stated the last thing the Authority should do is enter into a political issue that there may not be unanimity within the community. B. McGrath reiterated his concerns about the Authority being careful to avoid overstepping, and there doesn't seem to be enough facts with this situation. He further stated that he doesn't think anyone on this Board today has a true sense of the political dynamic that we will be walking into, and he feels it is unwise for us to proceed with this right now given the absence of information, unless there is a time constraint.

A. MacKinnon stated that if the Board were to wait, we would be making a decision for the City of Ogdensburg. He continued by stating that the Authority has been asked to provide information and the decision is solely up to the city regardless of any political or union problems. A. MacKinnon further stated he is not comfortable with making this decision for the city, that the Authority should provide them with the information they have requested and let them decide.

B. McGrath disagreed in that he is not stating the Authority should not submit a proposal, but that information has been presented today for the first time and the Board has not had the opportunity to digest that information to which he feels as a Board we should be given time to understand what we are being asked to do and to now do it in the course of a 15 minute presentation given at

the end of a Board meeting. B. McGrath further suggest that we take some time to explore this project and revisit it at the next regularly scheduled meeting. He further stated if an interim meeting is needed to expedite it then so be it, but it is irresponsible to proceed into this now with the absence of the full information. B. McGrath stated that it is the Board responsibility to understand more how this request came to be, to take a pause and think about it.

J. Hollenbeck asked if there was a time constraint on this. C. Tuttle responded that the City of Ogdensburg resolution is requesting this proposal in time for them to make a decision effective January 1, 2023. J. Hollenbeck stated he is in agreement and feels the Board should wait another month and explore possible repercussions.

D. Mastascusa stated that from a technical standpoint we are familiar with the system and the Authority can move ahead, but asked what is being requested that we explore other than the political ramifications. C. Tuttle responded that while there may be political ramifications, but what is the right thing to do for the community. As A. MacKinnon stated the community is going to be the one to make that decision.

D. Mastascusa asked if there was going to be an upcoming election that would change the makeup of the city council. C. Tuttle replied no. He further asked what was the vote of the city council. C. Tuttle responded it was four to three.

E. Virkler stated that he follows the City of Ogdensburg politics from afar and we should continue to pay attention to that. He further stated that the Authority has been asked to respond to the city's request. This is something C. Tuttle has prepared before and is not going to take a significant amount of time. C. Farone commented that this is the first or second time the city has requested this. We have done research internally and examined what the cost would be. The original request came from the city manager and at that point, it was not enough for the Board to move forward. With this request now coming from the city council, it appears to have become a more serious request.

E. Virkler commented that while working for the Village of Lowville, DANC was providing some interim services and village employees began to talk of a takeover. The city council has asked us to provide a proposal, it is important for us to consider this. Today's presentation contained a lot of good information and made it clear that this fits within our mission and strategic objectives.

A. MacKinnon stated that there is a first and second, and now needs to move forward or be withdrawn. Chairperson Murray called for a rollcall vote.

A motion was made by A. MacKinnon, and seconded by E. Virkler, approving the proposal be submitted to the City Council of Ogdensburg, as per their request for water quality management services and operation and maintenance services, was approved.

Rollcall Vote:

M. Murray – yes

A. MacKinnon – yes

D. Mastascusa – yes

M. Doheny – yes

E. Virkler - yes

g. Finance Report – Chief Financial Officer

J. Staples reviewed a high-level financial report. In June, there will be a detailed audit report of FY22 reviewed in detail at the Audit Committee and reviewed in summary at the June 23<sup>rd</sup> board meeting. Beginning with operating revenue, total customer billings came in on budget. MMF was over due to the additional tonnage received. Grant revenue was over budget in association with the Community Development Loan Fund making loans for \$888,000. Other income was over by \$60,000 due to landfill gas to energy production. In January and February of 2022 there was an increase in electrical rates resulting in an increase of revenue provided to the Authority for \$76,000. A portion of these funds is shared with the Town of Rodman. Operating expenses were under budget by \$2.5 million. Salary and fringe were under budget by \$1.1 million. This was mainly due to an adjusting entry of \$419,000 for GASB 68 pension. Operating and maintenance was underspent by \$538,000 mainly in Telecom where equipment contracts for Cisco gear were discontinued resulting in no maintenance contract being available. Also, offnet circuit leases was underspent by \$83,000 due to a cancelled offset circuit lease of \$42,000, and a potential new customer did not come to fruition, resulting in money budgeted not being spent. Depreciation was over by a half million dollars associated with the southern expansion. Due to low interest rates, interest income is under budget by \$355,000. The market adjustment discussed at the March Board meeting came in at \$1.5 million loss. This is an accounting entry based upon the investments we have. These are marked to adjust to the market, and unless we turn them in early, we do not actually lose money.

J. Staples commented that interest rates are increasing, and it is our anticipation that in fiscal year 2023 we will see the market adjustment at an even higher loss. Ultimately, this is a good thing in that when we turn over these investments, we should be getting a higher interest rate.

J. Staples continued with the financials by explaining about pensions coming in 4% below budget. GASB 68 requires that the Authority report a proportionate share of the state's overall net pension liability and pension expense in our annual audited financial statements. An adjusting entry is made in March for the GASB 68 requirement. This year it was a \$419,000 gain to the profit and loss sheet, whereas last year we took a \$1 million loss. No money will be issued, and we will not receive any money for this, this is only a required GASB accounting entry.

J. Staples concluded by stating that materials management waste volumes were over the projected volumes, except for construction and demolition which was under resulting in us being 4% over the projected tonnage. Likewise, host community benefits were over budget. This is directly related to waste volumes, and for every ton we bring in, we provide host community benefits.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Financials ending March 31, 2022, was unanimously approved.

A. MacKinnon made a request to staff, that if we are to continue with Zoom meetings that we come up with a better way to do this. It cannot work with microphones not working. This is not fair to those attending via Zoom. C. Farone

stated that part of this year's capital project is a Warneck renovation to make their conference room larger. This should accommodate the full Board and include high tech microphones and equipment to provide a much better experience.

h. Next Board Meeting Date – June 23, 2022 – at MMF

i. Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, the meeting was adjourned at 12:44 PM.

Respectfully submitted,



Dennis Mastascusa  
Board Secretary

*PREPARED EXCLUSIVELY FOR:*

**DEVELOPMENT AUTHORITY  
OF THE NORTH COUNTRY**

FYE MARCH 31, 2022

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**Wealth  
Management**

A division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC

# Development Authority of the North Country

April 1, 2021 - March 31, 2022

Fiscal Year End - March 31, 2022

## Portfolio Review

We have compiled the performance numbers for the fiscal year end March 31, 2022

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 \$591,679.84 or 0.67%. The Bank of NY Capital Improvement account generated net income of \$14,293.34 or 0.31% for the year. The total portfolio net income generated for the year was \$605,973.18 or 0.66%. 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 -\$3,550,349.52 or --4.04% and for the Bank of NY Capital Improvement account was -\$15,313.68 or -0.33%. The portfolio total adjustment was -\$3,565,663.20 or -3.86%. The total return after the market value adjustment for the Comerica accounts was -\$2,958,669.68 or -3.37% and the total return for the Bank of NY Capital Improvement account was -\$1,020.34 or -0.02%. The total portfolio return after market value adjustment for the year was -\$2,959,690.02 or -3.20%.

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	0.13%	Community Rental	-3.51%
General Operating	-1.07%	Affordable Rental	-4.88%
Water / Sewer	-3.17%	Revolving Loan	-5.06%
Closure Post Closure	-4.64%	Wetlands Mitigation	-1.18%
Economic Fd	-1.94%	Liner	-4.87%
Open Access	-1.77%		
OPEB	-4.44%	<b><u>Bank of NY Account:</u></b>	
TIP Fee	-2.28%	Capital Improvement	-0.02%
NCEDF	-3.01%		

For the same period the following benchmarks performed as follows:

3 month T Bill	0.06%
Barclays US Aggregate Government - Treasury	-3.67%
Barclays US Government/Credit	-3.85%

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, 2021 - March 31, 2022*

*Fiscal year end - March 31, 2022*

<b>March 2021 - Statement on Market Value</b>	<b>\$</b>	<b>84,611,326.30</b>	
<i>April 2021 - Income</i>	\$	80,896.05	
<i>May 2021 - Income</i>	\$	47,333.25	
<i>June 2021 - Income</i>	\$	48,016.64	
<i>July 2021 - Income</i>	\$	41,876.06	
<i>August 2021 - Income</i>	\$	50,142.25	
<i>September 2021 - Income</i>	\$	51,985.67	
<i>October 2021 - Income</i>	\$	67,178.39	
<i>November 2021 - Income</i>	\$	38,954.49	
<i>December 2021 - Income</i>	\$	42,205.78	
<i>January 2022 - Income</i>	\$	40,309.67	
<i>February 2022 - Income</i>	\$	49,729.19	
<i>March 2022 - Income</i>	\$	46,934.21	
<b>Total Income April 2021-March 2022</b>	<b>\$</b>	<b>605,561.65</b>	
<i>March 31, 2021 - Accrued Income</i>	\$	(124,275.23)	
<i>March 31, 2022 - Accrued Income</i>	\$	110,393.42	
<b>Change in Accrued Income</b>	<b>\$</b>	<b>(13,881.81)</b>	
<b>Total Net Income for the Full Year</b>	<b>\$</b>	<b>591,679.84</b>	<i>(or) 0.67% Total Net Income</i>
<b>Market Value Adjustment for the Full Year</b>	<b>\$</b>	<b>(3,550,349.52)</b>	<i>(or) -4.04% of Portfolio's Value</i>
<b>Total Return for the Full Year</b>	<b>\$</b>	<b>(2,958,669.68)</b>	<i>(or) -3.37% Total Return</i>
<b>Transfer of assets and cash in</b>	<b>\$</b>	<b>24,679,215.24</b>	
<b>Transfer of assets and cash out</b>	<b>\$</b>	<b>(16,295,585.06)</b>	
<b>March 31, 2022 - Statement on Market Value</b>	<b>\$</b>	<b>90,036,286.80</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.

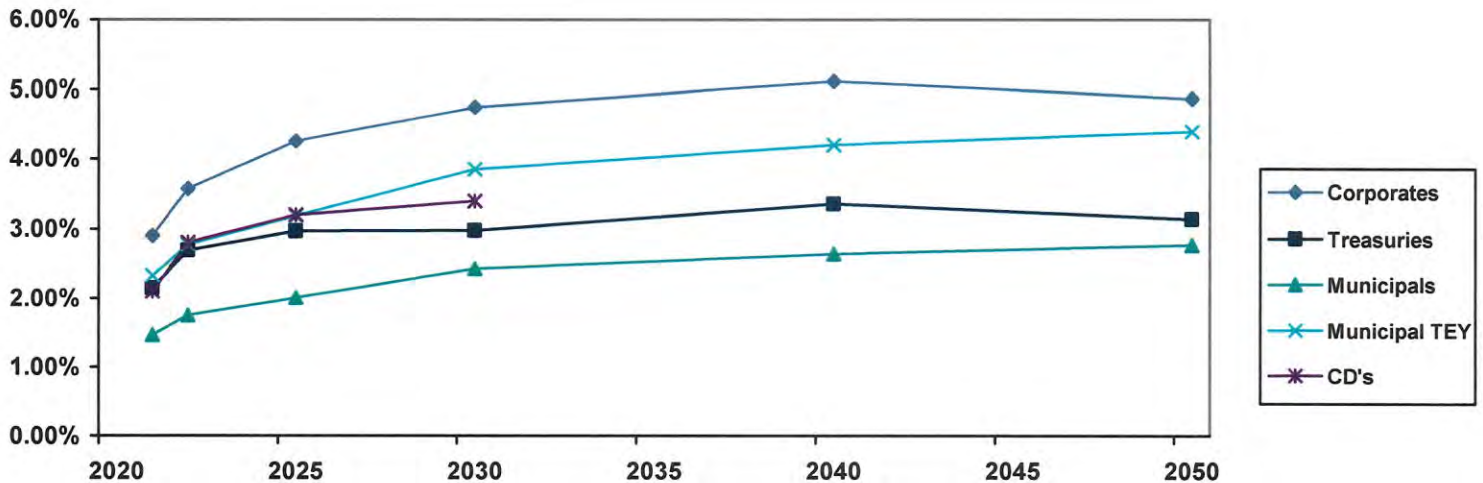
# Interest Rate Market Monitor

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 6, 2022



\*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	1.15%					1.10%	1.10%		
6 month	1.64%					1.45%	1.45%		
1 year	2.14%	2.11%	2.90%	1.47%	2.33%	2.10%	2.10%	05/15/23	2.04%
2 year	2.69%	2.49%	3.57%	1.75%	2.78%	2.80%	2.80%	05/15/24	2.61%
5 year	2.97%	2.95%	4.26%	2.01%	3.19%	3.20%		05/15/27	2.99%
10 year	2.98%	3.29%	4.76%	2.43%	3.86%	3.40%		05/15/32	3.09%
15 year	3.17%	3.65%	5.05%	2.56%	4.06%		3.70%	05/15/37	3.20%
20 year	3.36%		5.12%	2.65%	4.21%			05/15/42	3.51%
30 year	3.14%		4.88%	2.78%	4.41%		4.10%	05/15/52	3.03%

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 Manager**  
**19485 US Route 11, Watertown NY 13601-6678**  
**315-788-4200**

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, 2022

	Annualized total returns			Calendar period total returns							Cumulative total returns								
	Last month	Trailing 3 mo.	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2021	2020	2019	2018	2017	2016	2015	3 Yr	5 Yr	7 Yr	10 Yr
<b>In percentages, based on U.S. dollars</b>																			
<b>Balanced</b>																			
20% MSCI World (Net)   80% Bloomberg Barclays U.S Aggregate1	-1.67	-5.75	-5.75	-1.35	4.48	4.33	3.69	4.07	2.85	9.68	12.45	-1.63	7.09	3.71	0.42	14.05	23.58	28.86	49.03
40% MSCI World (Net)   60% Bloomberg Barclays U.S Aggregate1	-0.57	-5.57	-5.57	1.48	7.21	6.45	5.45	5.85	7.37	11.62	16.21	-3.33	10.75	4.73	0.22	23.23	36.69	44.95	76.62
50% MSCI World (Net)   50% Bloomberg Barclays U.S Aggregate1	-0.02	-5.49	-5.49	2.91	8.55	7.49	6.30	6.73	9.69	12.49	18.11	-4.19	12.62	5.23	0.08	27.92	43.49	53.39	91.74
60% MSCI World (Net)   40% Bloomberg Barclays U.S Aggregate1	0.54	-5.42	-5.42	4.34	9.88	8.51	7.14	7.59	12.04	13.31	20.01	-5.07	14.52	5.71	-0.07	32.66	50.45	62.08	107.75
80% MSCI World (Net)   20% Bloomberg Barclays U.S Aggregate1	1.64	-5.28	-5.28	7.22	12.47	10.50	8.77	9.26	16.86	14.74	23.83	-6.87	18.40	6.63	-0.43	42.27	64.78	80.13	142.53
<b>Domestic fixed income</b>																			
Bloomberg Barclays US Universal	-2.68	-6.11	-6.11	-4.23	1.85	2.31	2.18	2.57	-1.10	7.58	9.29	-0.25	4.09	3.91	0.43	5.65	12.11	16.27	28.89
Bloomberg Barclays US Aggregate	-2.78	-5.93	-5.93	-4.15	1.69	2.14	1.87	2.24	-1.54	7.51	8.72	0.01	3.54	2.65	0.55	5.15	11.19	13.86	24.80
Bloomberg Barclays US Intermediate Aggregate	-2.51	-4.69	-4.69	-4.38	1.19	1.67	1.56	1.81	-1.29	5.60	6.67	0.92	2.27	1.97	1.21	3.61	8.65	11.42	19.69
Bloomberg Barclays US Aggregate Government - Treasury	-3.11	-5.58	-5.58	-3.67	1.39	1.76	1.38	1.68	-2.32	8.00	6.86	0.86	2.31	1.04	0.84	4.24	9.10	10.11	18.14
Bloomberg Barclays US Aggregate Government	-3.09	-5.53	-5.53	-3.69	1.40	1.76	1.40	1.67	-2.28	7.94	6.83	0.88	2.30	1.05	0.86	4.27	9.13	10.21	18.06
Bloomberg Barclays US Government/Credit	-2.85	-6.33	-6.33	-3.85	2.12	2.44	2.07	2.45	-1.75	8.93	9.71	-0.42	4.00	3.05	0.15	6.50	12.82	15.41	27.42
Bloomberg Barclays US Intermediate Government/Credit	-2.45	-4.51	-4.51	-4.10	1.50	1.81	1.65	1.85	-1.44	6.43	6.80	0.88	2.14	2.08	1.07	4.56	9.38	12.11	20.07
Bloomberg Barclays US Aggregate Credit - Corporate - High Yield	-1.15	-4.84	-4.84	-0.66	4.58	4.69	5.03	5.75	5.28	7.11	14.32	-2.08	7.50	17.13	-4.47	14.38	25.74	40.95	74.89
Bloomberg Barclays US Aggregate Credit	-2.51	-7.42	-7.42	-4.16	2.81	3.18	2.82	3.44	-1.08	9.35	13.80	-2.11	6.18	5.63	-0.77	8.66	16.93	21.52	40.20
Bloomberg Barclays US Aggregate Credit - Corp. - Investment Grade	-2.52	-7.69	-7.69	-4.20	3.02	3.34	2.99	3.65	-1.04	9.89	14.54	-2.51	6.42	6.11	-0.68	9.35	17.85	22.87	43.11
Bloomberg Barclays Municipal Bond	-3.24	-6.23	-6.23	-4.47	1.53	2.52	2.38	2.88	1.52	5.21	7.54	1.28	5.45	0.25	3.30	4.67	13.24	17.93	32.85
Bloomberg Barclays Municipal Bond 3 Year	-1.66	-3.56	-3.56	-3.31	0.66	1.08	1.07	1.15	0.40	2.97	3.67	1.76	1.56	0.08	1.18	2.01	5.49	7.74	12.16
Bloomberg Barclays Municipal Bond 7 Year	-2.74	-5.70	-5.70	-4.85	1.12	2.04	1.97	2.38	0.36	5.11	6.74	1.66	4.49	-0.50	3.26	3.40	10.63	14.63	26.54
Bloomberg Barclays Municipal Bond 10 year	-3.13	-6.23	-6.23	-4.79	1.45	2.58	2.43	2.96	0.96	5.62	7.70	1.41	5.83	-0.12	3.76	4.41	13.57	18.30	33.88
Bloomberg Barclays Municipal Bond 20 Year (17-22 Y)	-3.92	-7.21	-7.21	-4.57	2.18	3.40	3.12	3.76	2.53	6.19	9.29	1.08	7.47	0.49	3.93	6.68	18.18	24.03	44.64
BofA Merrill Lynch US Treasury Bill (3 M)	0.03	0.04	0.04	0.06	0.81	1.13	0.87	0.63	0.05	0.67	2.28	1.87	0.86	0.33	0.05	2.44	5.78	6.28	6.51
Citigroup US Inflation-Linked Securities	-1.17	-2.51	-2.51	5.00	6.62	4.70	3.75	2.84	5.86	11.59	8.74	-1.49	3.34	4.82	-1.73	21.19	25.79	29.38	32.38
BofA ML U.S. Convertible - All Convertibles/All Qualities	1.20	-5.41	-5.41	-2.21	18.00	14.39	11.52	12.16	6.34	46.22	23.15	0.15	13.70	10.43	-2.99	64.29	95.89	114.51	215.09
BofA ML Fixed Rate Preferred Securities	-0.72	-6.72	-6.72	-3.63	3.37	3.84	4.40	5.16	2.24	6.95	17.71	-4.34	10.58	2.32	7.58	10.44	20.71	35.21	65.44
S&P/LSTA U.S. Leveraged Loan 100	0.22	-0.18	-0.18	2.30	3.81	3.68	3.57	3.87	3.54	2.84	10.65	-0.62	3.31	10.88	-2.75	11.86	19.80	27.83	46.19
<b>Global and International fixed income</b>																			
Bloomberg Barclays Global Aggregate	-3.05	-6.16	-6.16	-6.40	0.69	1.70	1.58	1.04	-4.71	9.20	6.84	-1.20	7.39	2.09	-3.15	2.08	8.78	11.58	10.88
Bloomberg Barclays Global Aggregate x US	-3.20	-6.15	-6.15	-7.89	-0.19	1.27	1.26	0.06	-7.05	10.11	5.09	-2.15	10.51	1.49	-6.02	-0.57	6.51	9.17	0.63
Bloomberg Barclays Global High Yield	-0.86	-5.69	-5.69	-3.84	2.57	3.34	4.30	4.92	0.99	7.03	12.56	-4.06	10.43	14.27	-2.72	7.91	17.83	34.28	61.66
BofA Merrill Lynch Global Broad Market x US	-3.63	-7.19	-7.19	-10.11	-1.24	0.64	0.85	-0.25	-8.94	10.33	4.86	-2.20	10.37	1.69	-6.01	-3.69	3.24	6.12	-2.44
Citigroup WGBI	-3.42	-6.46	-6.46	-7.74	-0.09	1.27	1.20	0.34	-6.97	10.11	5.90	-0.84	7.49	1.60	-3.57	-0.27	6.50	8.68	3.43
Citigroup Non-USD WGBI	-3.73	-7.13	-7.13	-10.36	-1.21	0.77	0.92	-0.37	-9.68	10.78	5.32	-1.82	10.33	1.81	-5.54	-3.60	3.91	6.59	-3.67
<b>Alternatives</b>																			
CPI for all Urban Consumers (CPI-U) <sup>3</sup> **one month lag	0.80	#N/A	1.45	7.91	3.93	3.10	2.73	2.22	7.10	1.28	2.26	1.92	2.13	2.05	0.64	12.26	16.47	20.75	24.73
Bloomberg Commodity Index	8.65	25.55	25.55	49.25	16.12	9.00	4.33	-0.70	27.11	-3.12	7.69	-11.25	1.70	11.77	-24.66	56.58	53.86	34.55	-6.80
S&P GSCI	9.63	33.13	33.13	64.55	13.40	9.98	3.18	-3.31	40.35	-23.72	17.63	-13.82	5.77	11.37	-32.86	45.82	60.94	24.49	-28.59
FTSE NAREIT Equity REITs	6.55	-3.86	-3.86	26.49	11.12	9.63	7.99	9.81	43.24	-8.00	26.00	-4.62	5.23	8.52	3.20	37.22	58.37	71.28	154.94
FTSE NAREIT All REITs	6.86	-5.24	-5.24	22.18	11.05	10.21	8.75	10.33	39.88	-5.86	28.07	-4.10	9.27	9.28	2.29	36.94	62.63	79.90	167.30
HFRX Global Hedge Fund	0.48	-1.35	-1.35	0.95	4.96	2.90	1.83	2.12	3.65	6.81	8.62	-6.72	5.99	2.50	-3.64	15.63	15.38	13.51	23.36
HFRX Equity Hedge	1.51	-0.30	-0.30	8.92	6.91	4.66	3.05	3.67	12.14	4.60	10.71	-9.42	9.98	0.10	-2.33	22.20	25.60	23.39	43.33
HFRX Event Driven	-0.94	-1.88	-1.88	-3.07	5.41	1.52	1.78	2.30	0.48	8.89	9.96	-11.68	6.48	11.08	-6.94	17.12	7.83	13.15	25.57
HFRX Absolute Return	1.02	0.11	0.11	1.56	2.90	2.29	1.94	1.99	2.10	2.72	4.37	-0.49	3.39	0.31	2.86	8.97	12.00	14.40	21.78
HFRX Macro/CTA	3.10	0.88	0.88	-0.47	3.34	1.80	-0.02	0.68	-0.83	4.29	4.84	-3.25	2.51	-2.93	-1.96	10.35	9.33	-0.14	7.03



# THE BONADIO GROUP

CPAs, Consultants & More

## Development Authority of the North Country

Board Meeting – June 23, 2022

# Part A

## **Audit of the Financial Statements as of and for the year ended March 31, 2022**

# 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.

## Part B

# Audit of the Schedule of Expenditures of Federal Awards and on Compliance as of and for the year ended March 31, 2022

# 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 program were reported.
- The Independent Auditor's Report on Compliance For Each Major 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, 2022

# 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 23, 2022

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, 2022. 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, 2022, the Authority adopted the following accounting policy:

**There were no new accounting policies adopted and the application of existing policies was not changed during 2022. 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.**

## 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.**

### 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, 2022  
Together with  
Independent Auditor's Report  
and Single Audit Reports**

*Draft - Subject to Change*

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

## TABLE OF CONTENTS

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	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT .....	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) .....	4 - 12
BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022:	
Statement of Net Position .....	13
Statement of Revenue, Expenses and Change in Net Position .....	14
Statement of Cash Flows .....	15
Notes to Basic Financial Statements .....	16 - 35
SUPPLEMENTAL INFORMATION:	
Schedule of Revenue, Expenses and Change in Net Position by Department .....	36
Schedule of North Country Economic Development Fund Activity.....	37
REQUIRED SUPPLEMENTAL INFORMATION:	
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited) .....	38
Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited).....	39
Schedule of Contributions - Pension Plans (Unaudited) .....	40
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 <i>GOVERNMENT AUDITING STANDARDS</i> .....	41 - 42
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE .....	43 - 45
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NOTES .....	46
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	47

## INDEPENDENT AUDITOR'S REPORT

June 23, 2022

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of March 31, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

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

We have previously audited the Authority's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021, 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 - pension plans, proportionate share of net pension liability (asset) and changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### ***Required Supplementary Information (Continued)***

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.

### ***Supplementary 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 accompanying schedule of revenue, expenses and change in net position by department, the schedule of North Country Economic Development Fund activity, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 revenue, expenses and change in net position by department, the schedule of North Country Economic Development Fund activity, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022, 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, 2022

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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, 2022. 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, 2022, the assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows by \$162.8 Million. Of this amount, \$22.5 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 \$26.2 Million and \$24.8 Million in 2022 and 2021, respectively.
- The Authority's total expenses (operating and non-operating) were \$29.0 Million and \$28.8 Million in 2022 and 2021, 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>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
Operating revenue	\$ 27,110,570	\$ 24,166,486	\$ 2,944,084	12.2%
Operating expenses	<u>(28,329,895)</u>	<u>(28,180,091)</u>	<u>149,804</u>	0.5%
Operating loss	(1,219,325)	(4,013,605)	2,794,280	-69.6%
Non-operating revenue, net	<u>(1,580,341)</u>	<u>21,584</u>	<u>(1,601,925)</u>	-7421.8%
Change in net position	<u>\$ (2,799,666)</u>	<u>\$ (3,992,021)</u>	<u>\$ 1,192,355</u>	-29.9%

- Operating revenues increased \$2.9 Million during 2022. The increase in revenues is primarily attributable to the following:
  - Customer Billings within Materials Management increased \$777 Thousand due to an increase of 18,834 in actual tons.
  - Army Sewer Line revenue increased \$929 Thousand due to higher sewer flows as the result of more rain during the year, as well as additional capital costs billed.
  - Grant revenue increased \$1.4 Million due to new loans closed on in 2022 and the addition of the AWL Integrity grant.
- Operating expenses increased \$149 Thousand during 2022. The increase in expenses is primarily attributable to the following:
  - Depreciation and amortization increased \$1.2 Million as the result of significant additions to fixed assets in the current year, which included the new landfill.
  - Grant expense decreased \$866 Thousand mainly due to a grant paid back to Jefferson County for a housing grant.
- The decrease in net non-operating revenue of \$1.6 Million is primarily due to a decrease in interest income as interest rate yields have decreased on Authority held investments.

## 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>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current assets	\$ 10,110,783	\$ 9,354,516	\$ 756,267	8.1%
Loans receivable, net	30,027,297	33,436,063	(3,408,766)	-10.2%
Investments	16,965,130	28,935,376	(11,970,246)	-41.4%
Funds held by trustee	799,937	798,344	1,593	0.2%
Other postemployment benefit reserve fund	5,627,433	5,623,421	4,012	0.1%
Restricted assets	82,724,838	70,903,951	11,820,887	16.7%
Capital assets, net	<u>80,951,826</u>	<u>83,774,241</u>	<u>(2,822,415)</u>	-3.4%
<b>Total assets</b>	<b><u>\$ 227,207,244</u></b>	<b><u>\$ 232,825,912</u></b>	<b><u>\$ (5,618,668)</u></b>	<b>-2.4%</b>
<b>DEFERRED OUTFLOWS</b>	<b><u>\$ 4,937,285</u></b>	<b><u>\$ 4,173,658</u></b>	<b><u>\$ 763,627</u></b>	<b>18.3%</b>
<b>Liabilities:</b>				
Current liabilities	\$ 4,020,555	\$ 5,934,095	\$ (1,913,540)	-32.2%
Other liabilities (long-term)	<u>58,790,401</u>	<u>64,466,734</u>	<u>(5,676,333)</u>	-8.8%
<b>Total liabilities</b>	<b><u>\$ 62,810,956</u></b>	<b><u>\$ 70,400,829</u></b>	<b><u>\$ (7,589,873)</u></b>	<b>-10.8%</b>
<b>DEFERRED INFLOWS</b>	<b><u>\$ 6,548,972</u></b>	<b><u>\$ 1,014,474</u></b>	<b><u>\$ 5,534,498</u></b>	<b>545.6%</b>
<b>Net Position:</b>				
Invested in capital assets, net of related debt	\$ 60,948,685	\$ 63,132,501	\$ (2,183,816)	-3.5%
Restricted	79,327,533	67,322,582	12,004,951	17.8%
Unrestricted	<u>22,508,383</u>	<u>35,129,184</u>	<u>(12,620,801)</u>	-35.9%
<b>Total net assets</b>	<b><u>\$ 162,784,601</u></b>	<b><u>\$ 165,584,267</u></b>	<b><u>\$ (2,799,666)</u></b>	<b>-1.7%</b>

- Loans receivable, net decreased \$3.4 Million primarily due to two loans being paid off early.
- Current liabilities decreased \$1.9 Million primarily due to a decrease in vendors payable of \$1.1 Million and a decrease in the current portion of unearned revenue of \$861 Thousand.
- Other liabilities decreased \$5.7 Million due to a decrease in the net pension liability of \$5.2 Million.
- Funds were moved from unrestricted(investments) to restricted in order to prepare for future costs associated with the new landfill.

### 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, 2022, 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		1,209,525
Materials Management - tip fee stabilization, and landfill gas reserves		6,009,351
Economic development fund		5,360,595
Affordable housing		<u>3,000,000</u>
	\$	<u>19,802,578</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, post-closure care, and new cell construction.

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>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
Service and usage revenue:				
Materials Management				
Facility	\$ 9,303,739	\$ 8,526,460	\$ 777,279	9.1%
Water Quality operations	6,416,693	5,424,945	991,748	18.3%
Telecommunications Network	6,170,721	6,275,593	(104,872)	-1.7%
Housing and Economic				
Development	115,074	141,017	(25,943)	-18.4%
Engineering	<u>1,086,412</u>	<u>1,151,971</u>	<u>(65,559)</u>	-5.7%
Total service and usage revenue	23,092,639	21,519,986	1,572,653	7.3%
Grants from government sources	2,480,763	1,110,679	1,370,084	123.4%
Interest received from outstanding loans	516,853	478,172	38,681	8.1%
Miscellaneous operating revenue	<u>1,020,315</u>	<u>1,057,649</u>	<u>(37,334)</u>	-3.5%
Total operating revenue	<u>\$ 27,110,570</u>	<u>\$ 24,166,486</u>	<u>\$ 2,944,084</u>	12.2%

- Materials Management Facility revenues increased \$777 Thousand or 9.1%. The increase was the result of an increase in tonnage received at the facility from approximately 207,000 tons in 2021 to 226,000 tons in 2022.
- Water Quality operations revenue increased \$992 Thousand due to an increase in customer billings attributed to additional projects, additional flows and additional capital costs billed.
- Grants from government sources increased \$1.4 Million or 7.3%. The increase is due to new loans closed and the water quality integrity grant.

### 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>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
Functional expenses:				
Materials Management				
facility	\$ 11,869,352	\$ 10,681,563	\$ 1,187,789	11.1%
Water Quality	5,965,986	5,631,872	334,114	5.9%
Telecommunications Network	7,813,491	8,279,626	(466,135)	-5.6%
Housing and Economic				
Development	1,399,713	2,039,037	(639,324)	-31.4%
Engineering	1,086,583	1,195,679	(109,096)	-9.1%
Administration	<u>194,770</u>	<u>352,314</u>	<u>(157,544)</u>	<u>-44.7%</u>
<b>Total functional expenses</b>	<b><u>\$ 28,329,895</u></b>	<b><u>\$ 28,180,091</u></b>	<b><u>\$ 149,804</u></b>	<b>0.5%</b>

- Materials Management Facility expenses increased \$1.2 Million or 11.1%. The increase is mostly due to an increase in depreciation costs associated with the new landfill.
- Water Quality expenses increased \$334 Thousand or 5.9% as a result of:
  - 1) \$94 Thousand in salaries,
  - 2) \$351 Thousand in sewage treatment expenses, and
  - 3) Offset by \$202 Thousand decrease in fringe benefits related to the decrease in pension expense associated with NYSLRS liability.
- Telecommunications expenses decreased by \$466 Thousand or 5.6% as a result of:
  - 1) \$263 Thousand in pension expense mainly associated with NYSLRS Liability,
  - 2) \$102 Thousand in legal fees and
  - 3) \$105 Thousand in operation and maintenance fees.
- Housing and economic development expenses decreased \$639 Thousand or 31.4% primarily as a result of a \$1 million grant being paid back in 2021 and an increase in bad debt expense of \$205 thousand due to a loan write-off in 2022.

### Summary of Operating Expenses (Continued)

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
Operating expenses:				
Depreciation and amortization	\$ 8,896,356	\$ 7,732,197	\$ 1,164,159	15.1%
Salaries and fringe benefits	8,752,283	9,809,043	(1,056,760)	-10.8%
Wastewater treatment	1,706,280	1,243,889	462,391	37.2%
Community benefits	967,077	823,177	143,900	17.5%
Water purchases	660,743	621,586	39,157	6.3%
Operating and maintenance	4,443,932	5,055,915	(611,983)	-12.1%
General and administrative	2,104,877	2,170,806	(65,929)	-3.0%
Closure and post-closure costs	<u>798,347</u>	<u>723,478</u>	<u>74,869</u>	10.3%
Total operating expenses	<u>\$ 28,329,895</u>	<u>\$ 28,180,091</u>	<u>\$ 149,804</u>	0.5%

- Depreciation and amortization expenses increased by 15.1% to approximately \$8.9 Million as several projects in Materials Management, Telecommunications and Water Quality operations were placed into service during the year.
- Salaries and fringe benefits decreased by \$1.1 Million or 10.8% mainly due to the NYSLRS liability increase in 2021 which did not occur in 2022. The overall pension expense adjustment of \$419 thousand in 2022 was allocated between the different departments, effecting benefit expense.
- Wastewater treatment expense increased by \$462 Thousand or 37.2% primarily due to an increase in the number of gallons of wastewater treated by City of Watertown and the increase in treatment costs.
- Community benefits expense increased by \$144 Thousand or 17.5% mainly related to the increase in tonnage received at the Materials Management Facility.
- Operating and maintenance expenses decreased \$612 Thousand or 12.1% due mainly to a \$866 Thousand reduction in grant expense due to the pay back of a \$1 million grant offset by an increase in bad debt of \$236 Thousand due to a loan write-off in Housing and Economic Development.
- Closure and post-closure costs increased by \$75 Thousand or 10.3% related to the increase in tonnage.

### Non-Operating Revenue (Expense)

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
Non-operating revenue (expense):				
Investment income	\$ (953,096)	\$ 599,600	\$ (1,552,696)	-259.0%
Gain on sale of capital assets	13,500	81,466	(67,966)	-83.4%
Interest expense	<u>(640,745)</u>	<u>(659,482)</u>	<u>18,737</u>	-2.8%
Total	<u>\$ (1,580,341)</u>	<u>\$ 21,584</u>	<u>\$ (1,601,925)</u>	-7421.8%

### Non-Operating Revenue (Expense) (Continued)

- Investment income decreased \$1.6 Million or 259.0% for two reasons:
  - 1) as interest rate yields have decreased on Authority held investments.
  - 2) GASB requires the Authority to book a market adjustment on certain held investments. In 2022, the market adjustment was a \$1.5 million decrease in market value. The Authority would only recognize a loss if these held investments were cashed in prior to maturity. The Authority's practice is to hold investments to maturity.

### 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 \$5,322,887. The Authority has a board designated investment account in the amount of \$5,635,379 for other postemployment benefits.

### Capital Assets

At the end of 2022, the Authority had \$80,951,826 (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 a decrease of \$2,822,415 or 3.4% over last year. The decrease 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, 2022, 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 2022</u>	<u>Bonds Outstanding as of March 2021</u>	<u>Principal Due 2023</u>
Series 2015	\$ 7,005,000	\$ 7,275,000	\$ 275,000
Series 2019	<u>10,230,000</u>	<u>10,480,000</u>	<u>260,000</u>
Total	<u>\$ 17,235,000</u>	<u>\$ 17,755,000</u>	<u>\$ 535,000</u>

In addition to the bonds, the Authority had loans payable as of March 31, 2022 as follows:

<u>Loans, Contract and Capital Lease Payables</u>	<u>Outstanding as of March 2022</u>	<u>Outstanding as of March 2021</u>	<u>Principal Due 2023</u>
Loans payable	<u>\$ 2,979,925</u>	<u>\$ 3,093,246</u>	<u>\$ 115,726</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****MARCH 31, 2022**

(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 5,749,003	\$ 5,555,064
Accounts receivable, net	3,123,568	2,619,157
Accrued unbilled revenue	538,407	506,782
Interest receivable	104,035	113,990
Inventory	18,209	466
Prepaid expense and other current assets	<u>577,561</u>	<u>559,057</u>
Total current assets	10,110,783	9,354,516
Loans receivable, net	30,027,297	33,436,063
Investments	16,965,130	28,935,376
Funds held by trustee	799,937	798,344
Other postemployment benefits reserve fund	5,627,433	5,623,421
Restricted assets	82,724,838	70,903,951
Capital assets, net	<u>80,951,826</u>	<u>83,774,241</u>
Total assets	<u>227,207,244</u>	<u>232,825,912</u>
<b>DEFERRED OUTFLOWS</b>		
Other postemployment benefits	159,451	171,716
Pension	<u>4,777,834</u>	<u>4,001,942</u>
Total deferred outflows	<u>4,937,285</u>	<u>4,173,658</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	1,463,209	2,577,443
Current portion of long-term liabilities	650,726	633,323
Accrued expenses	652,201	605,102
Interest payable	119,408	122,660
Current portion of unearned revenue	<u>1,135,011</u>	<u>1,995,567</u>
Total current liabilities	4,020,555	5,934,095
Economic development revolving loan fund	10,639,558	10,479,115
Unearned revenue, net of current portion	5,814,376	5,700,908
Long-term liabilities, net of current portion	<u>42,336,467</u>	<u>48,286,711</u>
Total liabilities	<u>62,810,956</u>	<u>70,400,829</u>
<b>DEFERRED INFLOWS</b>		
Other postemployment benefits	847,267	898,478
Pension	<u>5,701,705</u>	<u>115,996</u>
Total deferred outflows	<u>6,548,972</u>	<u>1,014,474</u>
<b>NET POSITION</b>		
Net investment in capital assets	60,948,685	63,132,501
Restricted	79,327,533	67,322,582
Unrestricted	<u>22,508,383</u>	<u>35,129,184</u>
Total net position	<u>\$ 162,784,601</u>	<u>\$ 165,584,267</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, 2022**

(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
OPERATING REVENUE:		
Customer billings	\$ 23,092,639	\$ 21,519,986
Grant revenue	2,480,763	1,110,679
Loan interest income	516,853	478,172
Landfill gas to energy revenue	546,832	525,681
Other revenue	473,483	531,968
	<u>27,110,570</u>	<u>24,166,486</u>
OPERATING EXPENSES:		
Depreciation and amortization	8,896,356	7,732,197
Salaries	6,381,596	6,223,254
Fringe benefits	2,370,687	3,585,789
Operation and maintenance	3,231,402	3,462,598
Wastewater treatment	1,706,280	1,243,889
Water purchases	660,743	621,586
Community benefits	967,077	823,177
Closure and post-closure costs	798,347	723,478
Grants	296,215	1,162,316
Office and administrative	469,196	427,718
Insurance	460,081	434,326
Automobile	345,983	322,998
Utilities	231,825	154,122
Materials and supplies	289,007	232,455
Professional fees	472,356	467,025
Computer	310,095	286,038
NYS administrative assessment	122,000	122,000
Repairs and maintenance	108,466	179,167
Bad debt expense (recovery)	212,183	(24,042)
	<u>28,329,895</u>	<u>28,180,091</u>
Total operating expenses		
Total operating loss	<u>(1,219,325)</u>	<u>(4,013,605)</u>
NON-OPERATING REVENUE (EXPENSE):		
Investment income	(953,096)	599,600
Gain on sale of capital assets	13,500	81,466
Interest expense	(640,745)	(659,482)
	<u>(1,580,341)</u>	<u>21,584</u>
Total non-operating revenue (expense)		
CHANGE IN NET POSITION	(2,799,666)	(3,992,021)
NET POSITION - beginning of year	<u>165,584,267</u>	<u>169,576,288</u>
NET POSITION - end of year	<u>\$ 162,784,601</u>	<u>\$ 165,584,267</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, 2022

(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 27,536,136	\$25,575,227
Receipts from grants	1,644,799	1,376,888
Cash payments to suppliers	(14,675,795)	(14,845,402)
Cash payments to employees	<u>(6,334,497)</u>	<u>(6,116,299)</u>
Net cash flow from operating activities	<u>8,170,643</u>	<u>5,990,414</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of capital assets	(6,084,479)	(19,026,122)
Proceeds from sale of capital assets	24,038	160,545
Payments on long-term debt	(633,322)	(949,342)
Interest paid	<u>(643,997)</u>	<u>(662,270)</u>
Net cash flow from capital and related financing activities	<u>(7,337,760)</u>	<u>(20,477,189)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Receipts of interest	553,736	913,361
Unrealized loss on investments	(1,496,877)	(249,043)
Net proceeds (purchases) of investments	11,970,246	(68,276)
Deposits into other postemployment benefit reserve fund	(4,012)	(144,338)
Net proceeds (purchases) of restricted assets	(11,660,444)	1,956,469
Change in funds held by trustee	<u>(1,593)</u>	<u>12,014,276</u>
Net cash flow from investing activities	<u>(638,944)</u>	<u>14,422,449</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>193,939</b>	<b>(64,326)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b><u>5,555,064</u></b>	<b><u>5,619,390</u></b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b><u>\$ 5,749,003</u></b>	<b><u>\$ 5,555,064</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Operating loss	\$ (1,219,325)	\$ (4,013,605)
Adjustments to reconcile operating loss to net cash flow from operating activities:		
Depreciation and amortization	8,896,356	7,732,197
Amortization of debt issuance costs	(55,277)	(55,277)
Bad debt expense	212,183	(24,042)
Change in deferred outflows of resources	(763,627)	(2,586,499)
Change in deferred inflows of resources	5,534,498	472,352
Landfill closure and post-closure care costs	(387,870)	(2,617,184)
Postemployment benefits expense	372,765	(483,082)
Change in:		
Accounts receivable	(716,594)	367,655
Accrued unbilled revenue	(31,625)	(3,995)
Loans receivable	3,408,766	2,243,786
Inventory	(17,743)	4,835
Prepaid expenses and other assets	(18,504)	17,443
Accounts payable and accrued expenses	(1,067,135)	738,735
Unearned revenue	(747,088)	257,502
Net pension liability	<u>(5,229,137)</u>	<u>3,939,593</u>
Net cash flow from operating activities	<u>\$ 8,170,643</u>	<u>\$ 5,990,414</u>

The accompanying notes are an integral part of these statements.

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

## NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2022

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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. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. 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, 2021, from which the summarized information was derived.

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

### **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 consists 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 \$351,932 was considered necessary at March 31, 2022.

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 to fifty 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 is 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, 2022:

Community rental housing program	\$ 13,143,286
Community development loan fund	9,787,359
Affordable housing program	22,469,242
Army water and sewer line reserves	1,800,000
Regional waterline operating and debt service reserves	442,508
Wetlands mitigation	318,673
Reserve for liner expansion and replacement	15,983,827
Reserve for open access telecommunication networks	6,839,012
Closure/post closure prefunding reserve	<u>8,543,626</u>
Total restricted net position	<u>\$ 79,327,533</u>

### 3. NET POSITION (Continued)

#### 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, 2022:

Board designated net position:

Administrative reserve / supplemental insurance	\$	4,000,000
Infrastructure development		223,107
Capital reserves		1,209,525
Materials Management - tip fee stabilization, recycling and landfill gas reserves		6,009,351
Economic development fund		5,360,595
Affordable housing		<u>3,000,000</u>
Total board designated net position		19,802,578
Undesignated net position		<u>2,705,805</u>
Total unrestricted net position	\$	<u>22,508,383</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 \$833,666 in 2022.

#### 4. CONTRACTUAL AGREEMENTS (Continued)

##### **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 \$546,832 in 2022, and are recorded separately 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.

##### **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, 2022:

Materials Management Facility	\$	883,359
Water Quality		286,252
Telecommunications Network		1,385,354
Engineering		36,775
Other		<u>601,121</u>
		3,192,861
Less: Allowance for doubtful accounts		<u>(69,293)</u>
	\$	<u>3,123,568</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, 2022:

Demand deposits	\$	5,210,321
Time deposits		<u>538,682</u>
	\$	<u>5,749,003</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.

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

All investments were fully secured at March 31, 2022. Total investments by type are as follows at March 31, 2022:

Money market	\$ 4,400,006
United States Treasury obligations/Government agencies	4,633,331
Certificates of deposit	<u>7,931,793</u>
	<u>\$ 16,965,130</u>

### 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, 2022:

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

### Custodial Credit Risk - Deposits

At March 31, 2022, the carrying amounts of the Authority's cash and cash equivalents held in time deposit accounts was \$5,749,003 and the amount of restricted assets held in time deposit accounts was \$13,032,492 and was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents	\$ 6,624,162	\$ 5,749,003
Cash and cash equivalents - restricted	<u>12,629,622</u>	<u>12,629,622</u>
	<u>\$ 19,253,784</u>	<u>\$ 18,378,625</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>19,175,552</u>	
	<u>\$ 19,675,707</u>	

Collateral is required for time deposits and certificates of deposit at 102% 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, 2022:

Landfill Closure and Post-Closure Care	\$ 23,250,790
Telecommunications Network	8,995,968
Replacement and Liner at Materials Management Facility	15,806,010
Affordable Housing Program	14,102,469
North Country Economic Development	8,497,445
Community Rental Housing Program	4,859,351
Community Development Loan Fund	3,643,134
Army Water and Sewer Line	2,761,195
Regional Waterline Operating and Debt Service Reserves	489,803
Wetlands Mitigation	<u>318,673</u>
	<u>\$ 82,724,838</u>

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, 2022.

Restricted assets consisted of the following at March 31, 2022:

Certificates of deposit	\$ 39,065,939
United States Treasury obligations/Government agencies	26,183,412
Money market funds	17,387,633
Accrued interest receivable	<u>87,854</u>
	<u>\$ 82,724,838</u>

## 8. LOANS RECEIVABLE

Loans receivable are summarized as follows at March 31, 2022:

Loans receivable:	
Affordable Housing Program	\$ 9,645,846
Community Rental Housing Program	11,880,436
Community Development Loan Fund	6,565,644
North Country Economic Development Loan Fund	2,142,044
Development Authority Economic Development Loan Fund	<u>145,259</u>
	30,379,229
Less allowance for loan loss	<u>(351,932)</u>
Loans receivable, net	<u>\$ 30,027,297</u>

## 8. LOANS RECEIVABLE (Continued)

The following tables present informative data by class of loans receivable regarding their age and interest accrual status at March 31, 2022.

	<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	\$ 9,603,949	\$ 41,897	\$ -	\$ -	\$ 41,897	\$ -	\$ 9,645,846
Development Authority Economic Development Loan Fund	145,259	-	-	-	-	-	145,259
Community Rental Housing Program	11,880,436	-	-	-	-	-	11,880,436
Community Development loan fund	6,564,801	843	-	-	843	-	6,565,644
North Country Economic Development loan fund	<u>2,142,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,142,044</u>
Total	<u>\$ 30,336,489</u>	<u>\$ 42,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,740</u>	<u>\$ -</u>	<u>\$ 30,379,229</u>

Activity in the allowance for loan losses is as follows for the year ended March 31, 2022:

Balance, beginning of year	\$ 381,373
Loans charged off	<u>(29,441)</u>
Balance, end of year	<u>\$ 351,932</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, 2022.

	<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>\$30,379,229</u>	<u>\$ -</u>	<u>\$30,379,229</u>	<u>\$ -</u>	<u>\$ 351,932</u>	<u>\$ 351,932</u>

There were no impaired loans at March 31, 2022.

## 9. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022 was as follows:

	Balance April 1, 2021	Additions	Transfers	Disposals	Balance March 31, 2022
Land	\$ 1,706,699	\$ -	\$ -	\$ -	\$ 1,706,699
Construction-in-progress	<u>22,741,933</u>	<u>6,074,671</u>	<u>(28,025,215)</u>	-	<u>791,389</u>
Total non-depreciable assets	<u>24,448,632</u>	<u>6,074,671</u>	<u>(28,025,215)</u>	-	<u>2,498,088</u>
Construction:					
Materials Management Facility	82,087,542	9,806	22,873,833	(10,534)	104,960,647
Water Quality	40,533,779	-	1,541,003	-	42,074,782
Telecommunications network	45,936,608	-	1,320,295	-	47,256,903
Engineering	96,486	-	-	-	96,486
General and administrative	112,658	-	-	-	112,658
Equipment:					
Materials Management Facility	10,242,376	-	207,339	-	10,449,715
Water Quality	2,501,180	-	-	-	2,501,180
Telecommunications network	19,869,902	-	2,082,745	-	21,952,647
Engineering	77,839	-	-	-	77,839
General and administrative	695,087	-	-	-	695,087
Vehicles:					
Materials Management Facility	35,854	-	-	-	35,854
Water Quality	56,470	-	-	-	56,470
General and administrative	1,048,589	-	-	(41,699)	1,006,890
Leasehold improvements:					
Telecommunications network	45,162	-	-	-	45,162
General and administrative	<u>30,119</u>	-	-	-	<u>30,119</u>
Total at cost	<u>203,369,651</u>	<u>9,806</u>	<u>28,025,215</u>	<u>(52,233)</u>	<u>231,352,439</u>
Less: Accumulated depreciation for:					
Construction	(119,559,867)	(6,441,121)	-	-	(126,000,988)
Equipment	(23,699,888)	(2,272,496)	-	-	(25,972,384)
Vehicles	(709,006)	(182,741)	-	41,699	(850,048)
Leasehold improvements	<u>(75,281)</u>	-	-	-	<u>(75,281)</u>
Total accumulated depreciation	<u>(144,044,042)</u>	<u>(8,896,358)</u>	-	<u>41,699</u>	<u>(152,898,701)</u>
Total depreciable assets, net	<u>59,325,609</u>	<u>(8,886,552)</u>	<u>28,025,215</u>	<u>(10,534)</u>	<u>78,453,738</u>
Total capital assets, net	<u>\$ 83,774,241</u>	<u>\$ (2,811,881)</u>	<u>\$ -</u>	<u>\$ (10,534)</u>	<u>\$ 80,951,826</u>

## 10. LONG-TERM LIABILITIES

Long-term liability activity for the year ended March 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Due Within One Year	Long-Term Portion Ending Balance
Loans payable	\$ 3,093,246	\$ -	\$ (113,321)	\$ 115,726	\$ 2,864,199
Bonds payable	19,062,584	-	(575,278)	535,000	17,952,306
Net pension liability - ERS	5,248,617	-	(5,229,137)	-	19,480
OPEB liability	4,950,122	372,765	-	-	5,322,887
Landfill liability	15,815,480	-	(387,870)	-	15,427,610
Due to U.S. Army	<u>749,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>749,985</u>
Total long-term liabilities	<u>\$ 48,920,034</u>	<u>\$ 372,765</u>	<u>\$ (6,305,606)</u>	<u>\$ 650,726</u>	<u>\$ 42,336,467</u>
	Long-Term Portion Beginning Balance	Increases	Decreases	Due Within One Year	Long-Term Portion Ending Balance
Direct Borrowings:					
Unsecured loan payable to the State of New York in annual payments of \$50,000 through March 2040. This loan does not bear interest.	\$ 914,000	\$ -	\$ (50,000)	\$ 50,000	\$ 814,000
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.	977,669	-	(47,109)	49,229	881,331
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
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>601,577</u>	<u>-</u>	<u>(16,212)</u>	<u>16,497</u>	<u>568,868</u>
Loans payable	<u>\$ 3,093,246</u>	<u>\$ -</u>	<u>\$ (113,321)</u>	<u>\$ 115,726</u>	<u>\$ 2,864,199</u>

## 10. LONG-TERM LIABILITIES (Continued)

Long-term debt revenue bond activity for the year ended March 31, 2022 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Due Within <u>One Year</u>	Long-Term Portion Ending <u>Balance</u>
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%.	\$ 7,275,000	\$ -	\$ (270,000)	\$ 275,000	\$ 6,730,000
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%.	10,480,000	-	(250,000)	260,000	9,970,000
Unamortized bond (discount)/premium	<u>1,307,584</u>	<u>-</u>	<u>(55,278)</u>	<u>-</u>	<u>1,252,306</u>
Bonds payable	<u>\$ 19,062,584</u>	<u>\$ -</u>	<u>\$ (575,278)</u>	<u>\$ 535,000</u>	<u>\$ 17,952,306</u>

### Future Minimum Payments

The future minimum payments for the Authority's financing arrangements are as follows as of March 31, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	751,625	575,909	1,327,534
2028 – 2032	4,225,903	2,425,482	6,651,385
2033 – 2037	4,965,581	1,586,725	6,552,306
2038 – 2042	5,450,049	705,668	6,155,717
2043 – 2047	2,018,280	106,698	2,124,978
2048 – 2049	<u>54,611</u>	<u>1,643</u>	<u>56,254</u>
	<u>\$ 20,214,923</u>	<u>\$ 7,968,977</u>	<u>\$ 28,183,900</u>

### Interest Paid

Interest paid on all financing arrangements during the years ended March 31, 2022 and March 31, 2021 were \$643,997 and \$662,270, 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 \$15,427,610 reported as landfill closure and post-closure care liability at March 31, 2022 represents the cumulative amount reported to date based on the use of 94% of the estimated capacity of the landfill. The Authority will recognize the remaining estimated cost of closure and post-closure care of approximately \$1,167,708 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, 2022, investments of \$23,250,790 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 2022, tipping fees of approximately \$417,200 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.

### **Liner**

The build out of the Authority's first two cells of the new landfill has been completed. The new landfill consists of a total of nine cells. The remaining seven cells will be built over the next 40 years. A stand-alone liner reserve has been established which will set aside a portion of the tipping fees collected to meet future cell build outs. In 2022, tipping fees of approximately \$287,500 were set aside for the liner reserve. 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 the cell build outs, 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 \$318,673 at March 31, 2022.

## 11. MATERIALS MANAGEMENT FACILITY (Continued)

### 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, liner 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 \$(616,100) in 2022.

## 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 \$151,722 during the year ended March 31, 2022.

### 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 Employees' 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% 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:

### 13. PENSION PLAN (Continued)

2022	\$890,000
2021	\$797,000
2020	\$767,000

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

At March 31, 2022, the Authority reported a liability of \$19,480 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2020. 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.

The Authority's proportion measured at March 31, 2021 was 0.0195636% which was a decrease of 0.000257% from its proportion measured at March 31, 2020 of 0.0198206%.

For the year ended March 31, 2022, the Authority recognized pension expense of approximately \$465,000.

At March 31, 2022, 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	\$ 237,907	\$ -
Changes in assumptions	3,581,791	67,554
Net difference between projected and actual earnings on pension plan investments	-	5,595,876
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	67,761	38,275
Contributions subsequent to measurement date	<u>890,375</u>	<u>-</u>
	<u>\$ 4,777,834</u>	<u>\$ 5,701,705</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	\$ (320,787)
2023	(107,158)
2024	(299,626)
2025	<u>(1,086,675)</u>
	<u>\$ (1,814,246)</u>

### 13. PENSION PLAN (Continued)

The Authority recognized \$890,375 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021, which will be recognized as a reduction of the net pension liability in the year ended March 31, 2023.

#### Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.4% indexed by service
Investment rate of return	5.9% compounded annually, net of investment expenses, including inflation
Projected cost of living adjustments	1.4% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020

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, 2021 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	32%	4.05%
International equity	15%	6.30%
Private equity	10%	6.75%
Real estate	9%	4.95%
Opportunistic/Absolute Return Strategy	3%	4.50%
Credit	4%	3.63%
Real assets	3%	5.95%
Fixed income	23%	0.00%
Cash	<u>1%</u>	0.50%
	<u>100%</u>	

### 13. PENSION PLAN (Continued)

#### Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 5.9%, 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:

	2022		
	1% Decrease (4.9%)	Current assumption (5.9%)	1% Increase (6.9%)
Proportionate share of net pension asset (liability)	\$ 5,406,965	\$ (19,480)	\$ (4,949,042)

#### 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:

	Pension Plan's fiduciary net position (dollars in thousands)	Authority's proportionate share of Plan's fiduciary assumption net position (dollars in thousands)	Authority's allocation percentage as determined by the Plan
Total pension liability	\$ 220,680,157	\$ 43,173	0.0195636%
Net position	(220,580,583)	(43,154)	0.0195636%
Net pension liability (asset)	\$ 99,574	\$ 19	0.0195636%
Fiduciary net position as a percentage of total pension liability	99.95%	99.95%	

## 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, 2022, the following employees were covered by the benefit terms:

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

### OPEB Liability

The Authority's total OPEB liability of \$5,322,887 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, 2021 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, 2021	\$ 4,950,122
Service cost	259,524
Interest	187,290
Changes in actual and expected Benefit payments	<u>(74,049)</u>
OPEB Liability as of March 31, 2022	<u>\$ 5,322,887</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:

	2022		
	1% Decrease (2.29%)	Discount Rate (3.29%)	1% Increase (4.29%)
OPEB Liability	\$ 6,509,639	\$ 5,322,887	\$ 4,407,613

**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:

	2022		
	1% Decrease (4.0%)	Discount Rate (5.0%)	1% Increase (6.0%)
OPEB Liability	\$ 4,330,766	\$ 5,322,887	\$ 6,628,914

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

For the year ended March 31, 2022, the Authority recognized OPEB expense of \$407,868. At March 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of <u>resources</u>	Deferred inflows of <u>resources</u>
Difference between actual and expected experience	\$ -	\$ 847,267
Changes of assumptions or other inputs	<u>159,451</u>	<u>-</u>
	<u>\$ 159,451</u>	<u>\$ 847,267</u>

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

2023	\$ (38,946)
2024	(38,946)
2025	(38,946)
2026	(38,946)
2027	(38,946)
Thereafter	<u>(493,086)</u>
	<u>\$ (687,816)</u>

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

**SUPPLEMENTAL INFORMATION  
 SCHEDULE OF REVENUE, EXPENSES AND CHANGE IN NET POSITION BY DEPARTMENT  
 FOR THE YEAR ENDED MARCH 31, 2022**

	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	\$ -	\$ 9,303,739	\$ 6,416,693	\$ 6,170,721	\$ 115,074	\$ 1,086,412	\$ 23,092,639
Grant revenue	3,953	43,947	843,988	-	1,588,875	-	2,480,763
Loan interest income	-	-	-	-	516,853	-	516,853
Other revenue	197,546	755,369	7,988	7,192	52,223	(3)	1,020,315
Total operating revenues	201,499	10,103,055	7,268,669	6,177,913	2,273,025	1,086,409	27,110,570
<b>OPERATING EXPENSES:</b>							
Depreciation and amortization	226,396	4,218,072	814,280	3,625,000	-	12,608	8,896,356
Salaries	1,182,947	1,680,412	1,283,597	1,273,739	315,670	645,231	6,381,596
Fringe benefits	319,740	750,163	556,055	367,020	118,487	259,222	2,370,687
Operation and maintenance	7,739	1,529,383	101,123	1,525,240	8,806	59,111	3,231,402
Wastewater treatment	-	337,254	1,369,026	-	-	-	1,706,280
Water purchases	-	-	660,743	-	-	-	660,743
Community benefits	-	833,666	-	-	133,411	-	967,077
Closure and post-closure costs	-	798,347	-	-	-	-	798,347
Grant	-	-	-	-	296,215	-	296,215
Office and administrative	211,048	76,654	63,453	57,823	7,975	52,243	469,196
Insurance	18,997	180,341	99,413	134,520	-	26,810	460,081
Bad debt	-	-	-	27,797	184,386	-	212,183
Automobile	396	15,852	218,374	96,470	-	14,891	345,983
Utilities	-	103,772	121,809	6,244	-	-	231,825
Materials and supplies	-	289,007	-	-	-	-	289,007
Professional fees	128,371	63,327	11,516	83,010	183,877	2,255	472,356
Computer	204,013	23,809	17,779	32,363	750	31,381	310,095
NYS administrative assessment	-	49,900	31,054	34,051	-	6,995	122,000
Repairs and maintenance	-	13,252	95,214	-	-	-	108,466
Engineering allocation	-	29,913	30,850	13,355	1,830	(75,948)	-
Administrative allocation	(2,104,877)	876,228	491,700	536,859	148,306	51,784	-
Total operating expenses	194,770	11,869,352	5,965,986	7,813,491	1,399,713	1,086,583	28,329,895
Total operating income (loss)	6,729	(1,766,297)	1,302,683	(1,635,578)	873,312	(174)	(1,219,325)
<b>NON-OPERATING REVENUE (EXPENSE):</b>							
Interest income	8,370	(616,126)	(36,299)	47,883	(356,924)	-	(953,096)
Gain on sale of capital assets, net	5,300	8,200	-	-	-	-	13,500
Interest expense	-	(583,939)	(56,806)	-	-	-	(640,745)
Total non-operating revenue (expense)	13,670	(1,191,865)	(93,105)	47,883	(356,924)	-	(1,580,341)
<b>CHANGE IN NET POSITION</b>	<b>\$ 20,399</b>	<b>\$ (2,958,162)</b>	<b>\$ 1,209,578</b>	<b>\$ (1,587,695)</b>	<b>\$ 516,388</b>	<b>\$ (174)</b>	<b>\$ (2,799,666)</b>

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

SUPPLEMENTAL INFORMATION  
 SCHEDULE OF NORTH COUNTRY ECONOMIC DEVELOPMENT  
 FUND ACTIVITY  
 FOR THE YEAR ENDED MARCH 31, 2022

	<u>Total</u>
Fund balance - beginning of year	\$ 10,479,115
Loan interest income	73,740
Recovered bad debt income	57,322
Investment income	48,619
Mark to market adjustment	(7,858)
Investment fees	(3,380)
Consulting expense	<u>(8,000)</u>
Change in fund balance	<u>160,443</u>
Fund balance - end of year	<u>\$ 10,639,558</u>
Assets restricted for North Country Economic Development	
Investments	\$ 8,495,752
Loan interest receivable	1,762
Loans receivable	<u>2,142,044</u>
Total fund balance	<u>\$ 10,639,558</u>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

**REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED MARCH 31, 2022**

	Last 10 Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total OPEB Liability</b>										
Service cost	\$ 259,524	\$ 259,524	\$ 248,401	\$ 248,401						
Interest	187,290	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	(74,049)	(67,705)	(59,298)	(53,275)						
<b>Total change in total OPEB liability</b>	<b>372,765</b>	<b>(483,082)</b>	<b>358,384</b>	<b>473,755</b>						
<b>Total OPEB liability - beginning</b>	<b>4,950,122</b>	<b>5,433,204</b>	<b>5,074,820</b>	<b>4,601,065</b>						
<b>Total OPEB liability - ending</b>	<b>\$ 5,322,887</b>	<b>\$ 4,950,122</b>	<b>\$ 5,433,204</b>	<b>\$ 5,074,820</b>						
<b>Covered-employee payroll</b>	<b>\$ 4,081,382</b>	<b>\$ 3,819,887</b>	<b>\$ 4,287,573</b>	<b>\$ 3,679,648</b>						
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>130.4%</b>	<b>129.6%</b>	<b>126.7%</b>	<b>137.9%</b>						

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:

	2022	2021	2020	2019
Discount rate	3.29%	3.29%	3.29%	3.29%

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 Authority did not obtain an actuarial valuation as of March 31, 2022 or March 31, 2020, and relied on the previous year's actuarial valuation, respectively, for those calculations.

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.

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

**REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED MARCH 31, 2022**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.0195636%	0.0198206%	0.0184752%	0.0177834%	0.0175474%	0.0168838%	0.0167435%			
Proportionate share of the net pension liability (asset)	\$ 19,480	\$ 5,248,617	\$ 1,309,024	\$ 573,949	\$ 1,648,794	\$ 2,709,904	\$ 565,635			
Covered-employee payroll	\$ 5,847,483	\$ 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	0.33%	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)	99.95%	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**

**REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED MARCH 31, 2022**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 890,375	\$ 796,667	\$ 766,847	\$ 714,456	\$ 683,563	\$ 659,418	\$ 601,067			
Contributions in relation to the contractually required contribution	<u>890,375</u>	<u>796,667</u>	<u>766,847</u>	<u>714,456</u>	<u>683,563</u>	<u>659,418</u>	<u>601,067</u>			
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Covered-employee payroll	\$ 5,847,483	\$ 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	15.23%	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 23, 2022

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, 2022, 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 23, 2022.

**Report on 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) as a basis for designing 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.

(Continued)

**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)

**Report on 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 financial statements. 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 23, 2022

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

**Report on Compliance for Major Federal Program**

***Opinion on Major Federal Program***

We have audited the Development Authority of the North Country's (the Authority) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2022.

***Basis for Opinion on Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit.

(Continued)

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

### ***Auditor's Responsibilities for the Audit of Compliance (Continued)***

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2022**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing 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	\$ 1,109,642	\$ 1,144,642
Passed through Village of Massena: Community Development Block Grant	14.228	711HO329-16	9,467	9,467
Passed through Town of Gouverneur: Community Development Block Grant	14.228	464HR324-19	<u>45,561</u>	<u>52,101</u>
Total Community Development Block Grants			<u>55,028</u>	<u>61,568</u>
Total U.S. Department of Housing and Urban Development:			1,164,670	1,206,210
U.S. DEPARTMENT OF DEFENSE:				
Direct:				
Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation	12.003	HQ00052010028	N/A	<u>1,007,470</u>
Total expenditures of federal awards				<u>\$ 2,213,680</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, 2022

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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 reported 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 Program and 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 Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation, Assistance Listing #12.003.
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 23, 2022**

*Draft - Subject to Change*

June 23, 2022

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

In planning and performing our audit of the financial statements of the governmental activities of Development Authority of the North Country (the Authority) as of and for the year ended March 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing auditing 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.

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 material weaknesses. 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.

This communication is intended solely for the information and use of management, the 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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Syracuse, NY  
June 23, 2022

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

### **COMMUNICATIONS OF MATTERS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING JUNE 23, 2022**

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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 23, 2022

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

We have performed the procedures enumerated below on the Regional Waterline Capital and Operating Reserve Funding Analysis of the Development Authority of the North Country (the Authority) for the year ended March 31, 2022. The Authority is responsible for the Regional Waterline Capital and Operating Reserve Funding Analysis.

The Authority's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Regional Waterline Capital and Operating Reserve Funding Analysis. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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, 2022 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 noted no exceptions as a result of this procedure.**

3. For six customers on the Regional Waterline, we obtained the quarterly billings for the period April 2021 through March 2022. 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 \$205,837 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, 2022 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, 2022 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.**

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 those specified parties.

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

June 23, 2022

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, 2022. 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, 2022.

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. 2022-06-52**  
**June 23, 2022**

**APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT,  
AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS  
FOR FISCAL YEAR ENDING MARCH 31, 2022**

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, 2022, 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

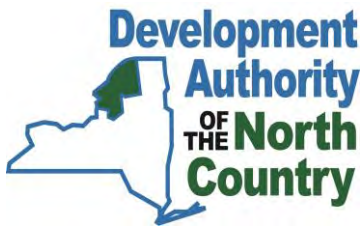
Whereas, Bonadio and Company, LLP, CPA, has conducted the Agreed-Upon Procedures engagement on the Authority's Regional Water Line in accordance with attestation standards established by the American Institute of Certified Public Accountants, and reported no exceptions, and

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, 2022 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, 2022.**



**Board Resolution No. 2022-06-53**  
**June 23, 2022**

**APPROVING THE ASSESSMENT OF THE EFFECTIVENESS  
OF INTERNAL CONTROLS OF THE DEVELOPMENT AUTHORITY OF  
THE NORTH COUNTRY FOR FISCAL YEAR 2022**

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 2022 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 2022.**

## **Assessment of the Effectiveness of Internal Controls – FY 2022**

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.

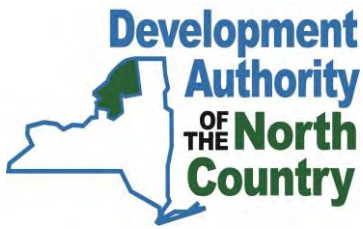
Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced into the operations of the business. Examples of internal controls implemented at the Development 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, 2022.

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. 2022-06-54**  
**June 23, 2022**

**APPROVING ANNUAL BOND SALES REPORT  
FOR FISCAL YEAR ENDING MARCH 31, 2022**

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, 2022, 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, 2022, attached hereto and incorporated in this Resolution.**

**Development Authority of the North Country  
Annual Bond Sales Report  
Fiscal Year Ended March 31, 2022**

**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, 2022**

<b><u>Bond Issue</u></b>	<b><u>Balance @ 3/31/22</u></b>	<b><u>Maturity</u></b>
Series 2019 SWMF Revenue Bonds	\$ 10,230,000	2044
Series 2015 SWMF Revenue Bonds	\$ 7,005,000	2040

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Saturday, April 30, 2022**

	<u>YTD ACTUAL</u>	<u>3/31/2022 Total</u>
<b>STATEMENT OF NET POSITION</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$5,321,188.62	\$5,749,002.23
Accounts Receivable	4,126,080.66	3,123,569.57
Unbilled Revenue	353,622.40	538,407.27
Interest Receivable	106,110.42	104,282.75
Loans Receivable, net	30,340,899.52	30,390,827.78
Inventory	18,208.99	18,208.99
Prepaid Expense	447,337.84	500,108.89
Investments	16,774,263.49	16,754,076.48
Funds Held In Trust	897,462.99	799,936.82
OPEB Reserve Fund	5,627,104.82	5,635,378.86
Restricted Assets	82,650,704.50	82,927,698.57
Leased Property	39,900.00	41,231.25
Capital Assets, net	80,458,949.54	80,951,823.26
<b>Total Assets</b>	<b>227,161,833.79</b>	<b>227,534,552.72</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	4,777,834.00	4,777,834.00
OPEB	159,451.00	159,451.00
Total Deferred Outflows of Resources	4,937,285.00	4,937,285.00
<b>TOTAL ASSETS PLUS DEFERRED OUTFLOWS</b>	<b>232,099,118.79</b>	<b>232,471,837.72</b>
<b>LIABILITIES</b>		
Accounts Payable	720,071.91	887,499.59
Grants & Passthroughs Payable	518,966.55	369,712.18
Community Benefits Payable	129,252.95	205,996.79
Interest Payable	171,173.44	119,408.33
Accrued Expenses	647,025.81	574,760.28
OPEB Liability	5,370,356.99	5,322,887.48
Net Pension Liability	19,480.00	19,480.00
Unearned Income	6,960,623.03	6,949,387.25
Lease Obligation	39,900.00	41,231.25
Funds Held for Others	10,639,557.90	10,639,557.90
Due to US ARMY	749,985.00	749,985.00
Landfill Closure & Post Closure	15,544,473.53	15,427,610.29
Long-term Liabilities	21,826,154.19	21,830,760.63
Total Liabilities	63,337,021.30	63,138,276.97
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	5,701,705.00	5,701,705.00
OPEB	847,267.00	847,267.00
Total Deferred Inflows of Resources	6,548,972.00	6,548,972.00
<b>TOTAL LIABILITIES PLUS DEFERRED INFLOWS</b>	<b>69,885,993.30</b>	<b>69,687,248.97</b>
<b>NET POSITION</b>		
Invested In Capital Assets, Net	60,096,885.31	60,585,152.59
Restricted for:		
Community Rental Housing Program	13,130,807.28	13,143,287.17
Community Development Loan Fund	9,786,658.53	9,787,357.99
Affordable Housing Program	22,384,059.56	22,469,242.86
Army Water & Sewer	1,800,000.00	1,800,000.00
Regional Waterline	442,507.82	442,507.82
Reserve For Liner	10,407,724.35	10,302,779.21
Reserve for Replacement	5,481,451.81	5,681,048.16
Reserve For Wetland Mitigation	318,888.22	318,672.91
OATN Reserve	6,839,363.84	6,839,011.65
Landfill Closure & Post Closure Prefunding	8,525,191.49	8,543,625.71
Total Restricted	79,116,652.90	79,327,533.48
Board Designated for:		
Infrastructure Development	223,107.42	223,107.42
Capital Reserve	1,209,531.59	1,209,525.34
Tip Fee Stabilization	4,383,005.01	4,392,848.65
Landfill Gas Reserve	1,612,861.46	1,616,502.26
Economic Development Fund	5,347,863.82	5,360,595.77
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	19,776,369.30	19,802,579.44
Undesignated	3,223,217.98	3,069,323.24
Total Net Position	162,213,125.49	162,784,588.75
<b>Total Liabilities, Deferred Outflows &amp; Net Position</b>	<b>232,099,118.79</b>	<b>232,471,837.72</b>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Saturday, April 30, 2022**

	<u>YTD ACTUAL</u>	<u>3/31/2022 Total</u>
<b><u>CHANGE IN NET POSITION</u></b>		
<b>OPERATING REVENUE:</b>		
Customer Billings	2,124,155.71	23,092,637.25
Waste Diversion Revenue	17,794.67	200,773.04
Grant Revenue	8,870.09	2,467,321.25
Loan Interest Income	27,642.00	516,852.69
Other Income	60,194.10	832,976.23
<b>Total Operating Revenue</b>	<b>2,238,656.57</b>	<b>27,110,560.46</b>
<b>OPERATING EXPENSES</b>		
Depreciation & Amortization	851,935.03	8,896,355.83
Salaries	527,180.16	6,184,266.07
Fringe Benefits	218,924.68	2,273,302.49
Operation & Maintenance	157,634.76	2,527,653.41
Recycling Transfer Station	27,736.49	349,698.64
Waste Diversion	0.00	681,449.67
Wastewater Treatment	183,353.00	1,706,279.55
Closure & Post Closure Costs	116,863.24	798,347.34
Community Benefits	91,443.42	967,076.60
Water Purchases	62,866.98	660,043.21
Office & Administration	39,659.20	465,883.26
Insurance	42,550.00	460,080.91
Utilities	7,575.29	213,351.31
Bad Debt Expense	4,083.55	212,182.78
Materials & Supplies	2,158.93	286,919.79
Professional Fees	9,475.00	472,353.92
Repairs & Maintenance	3,018.88	106,102.78
Automobile	22,126.22	340,231.33
Computer Expenses	45,146.32	310,093.37
Grants	0.00	296,215.05
NYS Administrative Assessment	0.00	122,000.00
<b>Total Operating Expenses</b>	<b>2,413,731.15</b>	<b>28,329,887.31</b>
<b>Total Operating Income</b>	<b>(175,074.58)</b>	<b>(1,219,326.85)</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>		
Interest Income	(349,230.01)	(953,094.79)
Gain on Sale of Fixed Assets	0.00	13,500.00
Interest Expense	(47,158.67)	(640,745.54)
<b>Total Non-Operating Expense, Net</b>	<b>(396,388.68)</b>	<b>(1,580,340.33)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(571,463.26)</b>	<b>(2,799,667.18)</b>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Saturday, April 30, 2022**

	<u>ADMIN</u>	<u>MATERIALS MGMT</u>	<u>TELECOM</u>	<u>ARMY SEWER</u>	<u>ARMY WATER</u>	<u>REGIONAL WATER</u>	<u>WQ CONTRACTS</u>	<u>ENGINEERING</u>	<u>REGIONAL DEVELOPMENT</u>	<u>TOTAL</u>
<b>STATEMENT OF NET POSITION</b>										
<b>ASSETS</b>										
Cash and Cash Equivalents	\$5,321,188.62									\$5,321,188.62
Accounts Receivable	(399.78)	1,274,622.43	1,369,429.95	835,589.48	380,603.78	91,077.53	33,003.54	39,716.49	102,437.24	4,126,080.66
Unbilled Revenue				70,494.36	10,903.37	28,853.75	132,063.68	66,875.47	44,431.77	353,622.40
Interest Receivable	4,519.79	16,006.61	8,475.14						77,108.88	106,110.42
Loans Receivable, net									30,340,899.52	30,340,899.52
Inventory		18,208.99								18,208.99
Prepaid Expense	416,188.55		31,149.29							447,337.84
Investments	3,896,340.72	6,941,176.60	2,004,370.19						3,932,375.98	16,774,263.49
Funds Held In Trust		897,462.99								897,462.99
OPEB Reserve Fund	5,627,104.82									5,627,104.82
Restricted Assets		39,411,842.77	8,996,320.72	1,781,208.20	971,568.11	489,928.79			30,999,835.91	82,650,704.50
Leased Property									39,900.00	39,900.00
Capital Assets, net	331,728.88	46,443,008.26	23,654,960.19	3,306,119.92	3,778,330.44	2,929,506.24		15,295.61		80,458,949.54
<b>Total Assets</b>	<b>15,596,671.60</b>	<b>95,002,328.65</b>	<b>36,064,705.48</b>	<b>5,993,411.96</b>	<b>5,141,405.70</b>	<b>3,539,366.31</b>	<b>165,067.22</b>	<b>121,887.57</b>	<b>65,536,989.30</b>	<b>227,161,833.79</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Pension	4,777,834.00									4,777,834.00
OPEB	159,451.00									159,451.00
Total Deferred Outflows of Resources	4,937,285.00									4,937,285.00
<b>TOTAL ASSETS PLUS DEFERRED...</b>	<b>20,533,956.60</b>	<b>95,002,328.65</b>	<b>36,064,705.48</b>	<b>5,993,411.96</b>	<b>5,141,405.70</b>	<b>3,539,366.31</b>	<b>165,067.22</b>	<b>121,887.57</b>	<b>65,536,989.30</b>	<b>232,099,118.79</b>
<b>LIABILITIES</b>										
Accounts Payable	20,937.43	82,505.19	80,132.08	191,792.07	311,098.78	29,637.31		3,969.05		720,071.91
Grants & Passthroughs Payable			389,454.29						129,512.26	518,966.55
Community Benefits Payable		129,252.95								129,252.95
Interest Payable		171,173.44								171,173.44
Accrued Expenses	360,346.88	98,549.79	95,251.33	16,723.35	16,723.34			59,431.12		647,025.81
OPEB Liability	5,370,356.99									5,370,356.99
Net Pension Liability	19,480.00									19,480.00
Unearned Income			6,394,495.94						566,127.09	6,960,623.03
Lease Obligation									39,900.00	39,900.00
Funds Held for Others									10,639,557.90	10,639,557.90
Due to US ARMY				749,985.00						749,985.00
Landfill Closure & Post Closure		15,544,473.53								15,544,473.53
Long-term Liabilities	864,000.00	18,482,700.04			337,289.66	1,542,164.49			600,000.00	21,826,154.19
Internal: Due To/Due From	1,882,787.74	(844,398.18)	159,718.00	(969,397.17)	114,542.09	(107,340.53)	(334,426.28)	81,177.47	17,336.86	
Total Liabilities	8,517,909.04	33,664,256.76	7,119,051.64	(10,896.75)	779,653.87	1,464,461.27	(334,426.28)	144,577.64	11,992,434.11	63,337,021.30
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Pension	5,701,705.00									5,701,705.00
OPEB	847,267.00									847,267.00
Total Deferred Inflows of Resources	6,548,972.00									6,548,972.00
<b>TOTAL LIABILITIES PLUS DEFERR...</b>	<b>15,066,881.04</b>	<b>33,664,256.76</b>	<b>7,119,051.64</b>	<b>(10,896.75)</b>	<b>779,653.87</b>	<b>1,464,461.27</b>	<b>(334,426.28)</b>	<b>144,577.64</b>	<b>11,992,434.11</b>	<b>69,885,993.30</b>
<b>NET POSITION</b>										
Invested In Capital Assets, Net	331,728.88	27,960,398.18	23,654,960.19	3,306,119.92	3,441,040.78	1,387,341.75		15,295.61		60,096,885.31
Restricted for:										
Community Rental Housing Program									13,130,807.28	13,130,807.28
Community Development Loan Fund									9,786,658.53	9,786,658.53
Affordable Housing Program									22,384,059.56	22,384,059.56
Army Water & Sewer				900,000.00	900,000.00					1,800,000.00
Regional Waterline						442,507.82				442,507.82
Reserve For Liner		10,407,724.35								10,407,724.35
Reserve for Replacement		5,481,451.81								5,481,451.81
Reserve For Wetland Mitigation		318,888.22								318,888.22
OATN Reserve			6,839,363.84							6,839,363.84
Landfill Closure & Post Closure Prefund...		8,525,191.49								8,525,191.49
Total Restricted		24,733,255.87	6,839,363.84	900,000.00	900,000.00	442,507.82			45,301,525.37	79,116,652.90
Board Designated for:										
Infrastructure Development				223,107.42						223,107.42
Capital Reserve		1,209,531.59								1,209,531.59
Tip Fee Stabilization		4,383,005.01								4,383,005.01
Landfill Gas Reserve		1,612,861.46								1,612,861.46
Economic Development Fund								5,347,863.82		5,347,863.82
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	7,205,398.06		223,107.42					8,347,863.82	19,776,369.30
Undesignated	1,135,346.68	1,439,019.78	(1,548,670.19)	1,575,081.37	20,711.05	245,055.47	499,493.50	(37,985.68)	(104,834.00)	3,223,217.98
Total Net Position	5,467,075.56	61,338,071.89	28,945,653.84	6,004,308.71	4,361,751.83	2,074,905.04	499,493.50	(22,690.07)	53,544,555.19	162,213,125.49
<b>Total Liabilities, Deferred Outflows...</b>	<b>20,533,956.60</b>	<b>95,002,328.65</b>	<b>36,064,705.48</b>	<b>5,993,411.96</b>	<b>5,141,405.70</b>	<b>3,539,366.31</b>	<b>165,067.22</b>	<b>121,887.57</b>	<b>65,536,989.30</b>	<b>232,099,118.79</b>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
For the One Month Ending Saturday, April 30, 2022

	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		915,664.35	513,282.34	270,502.37	184,881.23	28,853.75	134,321.82	50,718.26	25,931.59	2,124,155.71
Waste Diversion Revenue		17,794.67								17,794.67
Grant Revenue	4,645.00								4,225.09	8,870.09
Loan Interest Income									27,642.00	27,642.00
Other Income	15,975.00	35,151.92	194.60	300.83					8,571.75	60,194.10
<b>Total Operating Revenue</b>	<b>20,620.00</b>	<b>968,610.94</b>	<b>513,476.94</b>	<b>270,803.20</b>	<b>184,881.23</b>	<b>28,853.75</b>	<b>134,321.82</b>	<b>50,718.26</b>	<b>66,370.43</b>	<b>2,238,656.57</b>
<b>OPERATING EXPENSES</b>										
Depreciation & Amortization	17,328.93	424,986.74	332,201.08	27,857.75	35,093.59	13,771.69		695.25		851,935.03
Salaries	102,828.44	126,214.12	111,918.52	38,347.28	19,614.56	2,932.68	76,907.41	21,644.06	26,773.09	527,180.16
Fringe Benefits	40,737.28	59,346.61	35,931.61	17,340.38	10,235.98	1,268.47	27,120.73	17,146.30	9,797.32	218,924.68
Operation & Maintenance	2,241.04	27,169.67	122,408.61	216.76				5,598.68		157,634.76
Recycling Transfer Station		27,736.49								27,736.49
Wastewater Treatment		63,714.50		119,638.50						183,353.00
Closure & Post Closure Costs		116,863.24								116,863.24
Community Benefits		91,443.42								91,443.42
Water Purchases					56,659.50	6,207.48				62,866.98
Office & Administration	24,761.78	2,626.07	8,176.41	3,233.96				184.48	676.50	39,659.20
Insurance	1,541.67	16,291.67	12,958.33	4,000.00	2,908.33	516.67	2,950.00	1,383.33		42,550.00
Utilities		5,660.48	33.02			1,881.79				7,575.29
Bad Debt Expense									4,083.55	4,083.55
Materials & Supplies		2,158.93								2,158.93
Professional Fees	150.00	1,325.00							8,000.00	9,475.00
Repairs & Maintenance		205.53		808.75		2,004.60				3,018.88
Automobile	406.43	1,125.00	5,313.51	14,491.30				789.98		22,126.22
Computer Expenses	26,143.12	36.90	96.35	169.95				18,700.00		45,146.32
Admin Allocation	(191,381.56)	81,662.51	49,969.73	23,080.61	14,487.59	1,377.95	3,062.10	4,248.68	13,492.39	
Engineering Allocation		8,092.72	5,418.61	3,086.73	3,021.69	444.39	3,212.46	(23,519.92)	243.32	
Water Quality Allocation			(14,986.14)	4,375.26		344.23	10,266.65			
<b>Total Operating Expenses</b>	<b>24,757.13</b>	<b>1,056,659.60</b>	<b>684,425.78</b>	<b>237,285.83</b>	<b>146,396.50</b>	<b>30,749.95</b>	<b>123,519.35</b>	<b>46,870.84</b>	<b>63,066.17</b>	<b>2,413,731.15</b>
<b>Total Operating Income</b>	<b>(4,137.13)</b>	<b>(88,048.66)</b>	<b>(170,948.84)</b>	<b>33,517.37</b>	<b>38,484.73</b>	<b>(1,896.20)</b>	<b>10,802.47</b>	<b>3,847.42</b>	<b>3,304.26</b>	<b>(175,074.58)</b>
<b>NON-OPERATING REVENUE (EX...</b>										
Interest Income	(8,635.37)	(225,853.64)	1,173.93	(5,546.72)	(3,025.48)	126.51			(107,469.24)	(349,230.01)
Interest Expense		(47,158.67)								(47,158.67)
<b>Total Non-Operating Expense, Net</b>	<b>(8,635.37)</b>	<b>(273,012.31)</b>	<b>1,173.93</b>	<b>(5,546.72)</b>	<b>(3,025.48)</b>	<b>126.51</b>			<b>(107,469.24)</b>	<b>(396,388.68)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(12,772.50)</b>	<b>(361,060.97)</b>	<b>(169,774.91)</b>	<b>27,970.65</b>	<b>35,459.25</b>	<b>(1,769.69)</b>	<b>10,802.47</b>	<b>3,847.42</b>	<b>(104,164.98)</b>	<b>(571,463.26)</b>

**Summary of All Units  
Change In Net Position  
For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$26,017,089.00	\$2,168,094.00	\$2,124,155.71	(\$43,938.29)
	Waste Diversion Revenue	188,600.00	15,717.00	17,794.67	2,077.67
	Grant Revenue	454,201.00	37,851.00	8,870.09	(28,980.91)
	Loan Interest Income	493,000.00	41,083.00	27,642.00	(13,441.00)
	Other Income	875,540.00	72,960.00	60,194.10	(12,765.90)
	<b>Total Operating Revenue</b>	<b>28,028,430.00</b>	<b>2,335,705.00</b>	<b>2,238,656.57</b>	<b>(97,048.43)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	8,923,900.00	743,657.00	851,935.03	108,278.03
	Salaries	6,798,493.00	566,543.00	527,180.16	(39,362.84)
	Fringe Benefits	2,891,234.00	240,941.00	218,924.68	(22,016.32)
	Operation & Maintenance	3,142,690.85	261,895.73	157,634.76	(104,260.97)
	Waste Diversion	533,500.00	44,459.00	0.00	(44,459.00)
	Recycling Transfer Station	204,678.00	17,058.00	27,736.49	10,678.49
	Wastewater Treatment	2,166,580.15	180,549.35	183,353.00	2,803.65
	Closure & Post Closure Costs	1,157,483.00	96,457.00	116,863.24	20,406.24
	Water Purchases	773,529.00	64,462.00	62,866.98	(1,595.02)
	Community Benefits	1,021,198.00	72,747.00	91,443.42	18,696.42
	Office & Administration	590,877.00	49,243.33	39,659.20	(9,584.13)
	Insurance	510,600.00	42,550.00	42,550.00	0.00
	Utilities	174,230.00	14,520.00	7,575.29	(6,944.71)
	Bad Debt Expense	0.00	0.00	4,083.55	4,083.55
	Materials & Supplies	337,000.00	28,082.00	2,158.93	(25,923.07)
	Professional Fees	352,036.00	29,335.58	9,475.00	(19,860.58)
	Repairs & Maintenance	163,500.00	13,625.33	3,018.88	(10,606.45)
	Automobile	360,796.55	30,064.88	22,126.22	(7,938.66)
	Computer Expenses	365,457.00	30,455.00	45,146.32	14,691.32
	Grants	366,000.00	30,500.00	0.00	(30,500.00)
	Admin Allocation	0.00	1.00	0.00	(1.00)
	Water Quality Allocation	0.00	(1.00)	0.00	1.00
	NYS Administrative Assessment	125,050.00	10,421.00	0.00	(10,421.00)
	Contingency	65,621.45	5,467.78	0.00	(5,467.78)
	<b>Total Operating Expenses</b>	<b>31,024,454.00</b>	<b>2,573,033.98</b>	<b>2,413,731.15</b>	<b>(159,302.83)</b>
	<b>Total Operating Income</b>	<b>(2,996,024.00)</b>	<b>(237,328.98)</b>	<b>(175,074.58)</b>	<b>62,254.40</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	627,851.00	52,321.00	(349,230.01)	(401,551.01)
	Gain on Sale of Fixed Assets	130,000.00	10,834.00	0.00	(10,834.00)
	Interest Expense	(778,101.00)	(64,842.00)	(47,158.67)	17,683.33
	<b>Total Non-Operating Expe...</b>	<b>(20,250.00)</b>	<b>(1,687.00)</b>	<b>(396,388.68)</b>	<b>(394,701.68)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(3,016,274.00)</b>	<b>(239,015.98)</b>	<b>(571,463.26)</b>	<b>(332,447.28)</b>

**Administration**  
**Change In Net Position**  
**For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Grant Revenue	\$5,000.00	\$417.00	\$4,645.00	\$4,228.00
	Other Income	191,700.00	15,975.00	15,975.00	0.00
	<b>Total Operating Revenue</b>	<b>196,700.00</b>	<b>16,392.00</b>	<b>20,620.00</b>	<b>4,228.00</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	254,100.00	21,175.00	17,328.93	(3,846.07)
	Salaries	1,249,330.00	104,111.00	102,828.44	(1,282.56)
	Fringe Benefits	526,385.00	43,866.00	40,737.28	(3,128.72)
	Operation & Maintenance	9,910.00	826.00	2,241.04	1,415.04
	Office & Administration	260,067.00	21,671.00	24,761.78	3,090.78
	Insurance	18,500.00	1,542.00	1,541.67	(0.33)
	Professional Fees	96,200.00	8,017.00	150.00	(7,867.00)
	Automobile	6,443.55	536.88	406.43	(130.45)
	Computer Expenses	244,412.00	20,367.00	26,143.12	5,776.12
	Admin Allocation	(2,321,707.00)	(193,476.00)	(191,381.56)	2,094.44
	Contingency	20,621.45	1,718.12	0.00	(1,718.12)
	<b>Total Operating Expenses</b>	<b>364,262.00</b>	<b>30,354.00</b>	<b>24,757.13</b>	<b>(5,596.87)</b>
	<b>Total Operating Income</b>	<b>(167,562.00)</b>	<b>(13,962.00)</b>	<b>(4,137.13)</b>	<b>9,824.87</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	79,219.00	6,602.00	(8,635.37)	(15,237.37)
	Gain on Sale of Fixed Assets	35,000.00	2,917.00	0.00	(2,917.00)
	<b>Total Non-Operating Expe...</b>	<b>114,219.00</b>	<b>9,519.00</b>	<b>(8,635.37)</b>	<b>(18,154.37)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(53,343.00)</b>	<b>(4,443.00)</b>	<b>(12,772.50)</b>	<b>(8,329.50)</b>

**Materials Management**  
**Change In Net Position**  
**For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$11,317,204.00	\$943,102.00	\$915,664.35	(\$27,437.65)
	Waste Diversion Revenue	188,600.00	15,717.00	17,794.67	2,077.67
	Grant Revenue	74,108.00	6,176.00	0.00	(6,176.00)
	Other Income	602,180.00	50,181.00	35,151.92	(15,029.08)
	<b>Total Operating Revenue</b>	<b>12,182,092.00</b>	<b>1,015,176.00</b>	<b>968,610.94</b>	<b>(46,565.06)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	3,875,800.00	322,983.00	424,986.74	102,003.74
	Salaries	1,739,796.00	144,984.00	126,214.12	(18,769.88)
	Fringe Benefits	797,811.00	66,484.00	59,346.61	(7,137.39)
	Operation & Maintenance	1,006,518.85	83,879.06	27,169.67	(56,709.39)
	Waste Diversion	533,500.00	44,459.00	0.00	(44,459.00)
	Recycling Transfer Station	204,678.00	17,058.00	27,736.49	10,678.49
	Wastewater Treatment	730,918.15	60,910.35	63,714.50	2,804.15
	Closure & Post Closure Costs	1,157,483.00	96,457.00	116,863.24	20,406.24
	Community Benefits	872,964.00	72,747.00	91,443.42	18,696.42
	Office & Administration	107,528.00	8,961.00	2,626.07	(6,334.93)
	Insurance	195,500.00	16,292.00	16,291.67	(0.33)
	Utilities	70,000.00	5,833.00	5,660.48	(172.52)
	Materials & Supplies	337,000.00	28,082.00	2,158.93	(25,923.07)
	Professional Fees	37,860.00	3,154.58	1,325.00	(1,829.58)
	Repairs & Maintenance	15,000.00	1,250.33	205.53	(1,044.80)
	Automobile	13,500.00	1,125.00	1,125.00	0.00
	Computer Expenses	27,800.00	2,317.00	36.90	(2,280.10)
	Admin Allocation	990,621.00	82,552.00	81,662.51	(889.49)
	Engineering Allocation	32,661.00	2,722.00	8,092.72	5,370.72
	NYS Administrative Assessment	49,684.00	4,140.00	0.00	(4,140.00)
	Contingency	20,000.00	1,666.66	0.00	(1,666.66)
	<b>Total Operating Expenses</b>	<b>12,816,623.00</b>	<b>1,068,056.98</b>	<b>1,056,659.60</b>	<b>(11,397.38)</b>
	<b>Total Operating Income</b>	<b>(634,531.00)</b>	<b>(52,880.98)</b>	<b>(88,048.66)</b>	<b>(35,167.68)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	317,616.00	26,468.00	(225,853.64)	(252,321.64)
	Gain on Sale of Fixed Assets	95,000.00	7,917.00	0.00	(7,917.00)
	Interest Expense	(623,994.00)	(52,000.00)	(47,158.67)	4,841.33
	<b>Total Non-Operating Expe...</b>	<b>(211,378.00)</b>	<b>(17,615.00)</b>	<b>(273,012.31)</b>	<b>(255,397.31)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(845,909.00)</b>	<b>(70,495.98)</b>	<b>(361,060.97)</b>	<b>(290,564.99)</b>

**Telecommunications**  
**Change In Net Position**  
**For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$6,412,186.00	\$534,349.00	\$513,282.34	(\$21,066.66)
	Other Income	47,050.00	3,921.00	194.60	(3,726.40)
	<b>Total Operating Revenue</b>	<b>6,459,236.00</b>	<b>538,270.00</b>	<b>513,476.94</b>	<b>(24,793.06)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	3,710,100.00	309,175.00	332,201.08	23,026.08
	Salaries	1,340,181.00	111,682.00	111,918.52	236.52
	Fringe Benefits	444,238.00	37,020.00	35,931.61	(1,088.39)
	Operation & Maintenance	1,868,662.00	155,723.00	122,408.61	(33,314.39)
	Office & Administration	86,885.00	7,241.00	8,176.41	935.41
	Insurance	155,500.00	12,958.00	12,958.33	0.33
	Utilities	5,000.00	417.00	33.02	(383.98)
	Professional Fees	105,392.00	8,782.00	0.00	(8,782.00)
	Automobile	91,100.00	7,592.00	5,313.51	(2,278.49)
	Computer Expenses	29,145.00	2,429.00	96.35	(2,332.65)
	Admin Allocation	606,187.00	50,516.00	49,969.73	(546.27)
	Engineering Allocation	12,252.00	1,021.00	5,418.61	4,397.61
	NYS Administrative Assessment	34,671.00	2,889.00	0.00	(2,889.00)
	Contingency	25,000.00	2,083.00	0.00	(2,083.00)
	<b>Total Operating Expenses</b>	<b>8,514,313.00</b>	<b>709,528.00</b>	<b>684,425.78</b>	<b>(25,102.22)</b>
	<b>Total Operating Income</b>	<b>(2,055,077.00)</b>	<b>(171,258.00)</b>	<b>(170,948.84)</b>	<b>309.16</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	59,716.00	4,976.00	1,173.93	(3,802.07)
	<b>Total Non-Operating Expe...</b>	<b>59,716.00</b>	<b>4,976.00</b>	<b>1,173.93</b>	<b>(3,802.07)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(1,995,361.00)</b>	<b>(166,282.00)</b>	<b>(169,774.91)</b>	<b>(3,492.91)</b>

**Water Quality**  
**Change In Net Position**  
**For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$7,344,389.00	\$612,033.00	\$618,559.17	\$6,526.17
	Other Income	3,610.00	301.00	300.83	(0.17)
	<b>Total Operating Revenue</b>	<b>7,347,999.00</b>	<b>612,334.00</b>	<b>618,860.00</b>	<b>6,526.00</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	1,072,500.00	89,374.00	76,723.03	(12,650.97)
	Salaries	1,747,490.00	145,624.00	137,801.93	(7,822.07)
	Fringe Benefits	844,460.00	70,374.00	55,965.56	(14,408.44)
	Operation & Maintenance	143,800.00	11,984.00	216.76	(11,767.24)
	Wastewater Treatment	1,435,662.00	119,639.00	119,638.50	(0.50)
	Water Purchases	773,529.00	64,462.00	62,866.98	(1,595.02)
	Office & Administration	84,081.00	7,006.00	3,233.96	(3,772.04)
	Insurance	124,500.00	10,375.00	10,375.00	0.00
	Utilities	99,230.00	8,270.00	1,881.79	(6,388.21)
	Professional Fees	6,894.00	575.00	0.00	(575.00)
	Repairs & Maintenance	148,500.00	12,375.00	2,813.35	(9,561.65)
	Automobile	234,253.00	19,520.00	14,491.30	(5,028.70)
	Computer Expenses	26,900.00	2,242.00	169.95	(2,072.05)
	Admin Allocation	509,693.00	42,475.00	42,008.25	(466.75)
	Engineering Allocation	40,874.00	3,406.00	9,765.27	6,359.27
	Water Quality Allocation	0.00	(1.00)	0.00	1.00
	NYS Administrative Assessment	36,834.00	3,070.00	0.00	(3,070.00)
	<b>Total Operating Expenses</b>	<b>7,329,200.00</b>	<b>610,770.00</b>	<b>537,951.63</b>	<b>(72,818.37)</b>
	<b>Total Operating Income</b>	<b>18,799.00</b>	<b>1,564.00</b>	<b>80,908.37</b>	<b>79,344.37</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	25,600.00	2,133.00	(8,445.69)	(10,578.69)
	Interest Expense	(154,107.00)	(12,842.00)	0.00	12,842.00
	<b>Total Non-Operating Expe...</b>	<b>(128,507.00)</b>	<b>(10,709.00)</b>	<b>(8,445.69)</b>	<b>2,263.31</b>
	<b>CHANGE IN NET POSITION</b>	<b>(109,708.00)</b>	<b>(9,145.00)</b>	<b>72,462.68</b>	<b>81,607.68</b>

**Army Sewer**  
**Change In Net Position**  
**For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$3,115,915.00	\$259,660.00	\$270,502.37	\$10,842.37
	Other Income	3,610.00	301.00	300.83	(0.17)
	<b>Total Operating Revenue</b>	<b>3,119,525.00</b>	<b>259,961.00</b>	<b>270,803.20</b>	<b>10,842.20</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	334,900.00	27,908.00	27,857.75	(50.25)
	Salaries	423,602.00	35,300.00	38,347.28	3,047.28
	Fringe Benefits	204,965.00	17,082.00	17,340.38	258.38
	Operation & Maintenance	77,500.00	6,458.00	216.76	(6,241.24)
	Wastewater Treatment	1,435,662.00	119,639.00	119,638.50	(0.50)
	Water Purchases	3,200.00	267.00	0.00	(267.00)
	Office & Administration	80,800.00	6,732.00	3,233.96	(3,498.04)
	Insurance	48,000.00	4,000.00	4,000.00	0.00
	Utilities	54,980.00	4,582.00	0.00	(4,582.00)
	Professional Fees	4,152.00	346.00	0.00	(346.00)
	Repairs & Maintenance	85,000.00	7,083.00	808.75	(6,274.25)
	Automobile	234,253.00	19,520.00	14,491.30	(5,028.70)
	Computer Expenses	26,900.00	2,242.00	169.95	(2,072.05)
	Admin Allocation	280,052.00	23,338.00	23,080.61	(257.39)
	Engineering Allocation	13,645.00	1,137.00	3,086.73	1,949.73
	Water Quality Allocation	(238,889.00)	(19,908.00)	(14,986.14)	4,921.86
	NYS Administrative Assessment	15,403.00	1,284.00	0.00	(1,284.00)
	<b>Total Operating Expenses</b>	<b>3,084,125.00</b>	<b>257,010.00</b>	<b>237,285.83</b>	<b>(19,724.17)</b>
	<b>Total Operating Income</b>	<b>35,400.00</b>	<b>2,951.00</b>	<b>33,517.37</b>	<b>30,566.37</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	15,700.00	1,308.00	(5,546.72)	(6,854.72)
	<b>Total Non-Operating Expe...</b>	<b>15,700.00</b>	<b>1,308.00</b>	<b>(5,546.72)</b>	<b>(6,854.72)</b>
	<b>CHANGE IN NET POSITION</b>	<b>51,100.00</b>	<b>4,259.00</b>	<b>27,970.65</b>	<b>23,711.65</b>

**Army Water Line  
Change In Net Position  
For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$2,276,905.00	\$189,742.00	\$184,881.23	(\$4,860.77)
	<b>Total Operating Revenue</b>	<b>2,276,905.00</b>	<b>189,742.00</b>	<b>184,881.23</b>	<b>(4,860.77)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	565,600.00	47,133.00	35,093.59	(12,039.41)
	Salaries	420,722.00	35,060.00	19,614.56	(15,445.44)
	Fringe Benefits	198,546.00	16,547.00	10,235.98	(6,311.02)
	Operation & Maintenance	10,000.00	834.00	0.00	(834.00)
	Water Purchases	679,914.00	56,660.00	56,659.50	(0.50)
	Office & Administration	1,531.00	128.00	0.00	(128.00)
	Insurance	34,900.00	2,908.00	2,908.33	0.33
	Utilities	21,250.00	1,771.00	0.00	(1,771.00)
	Professional Fees	2,242.00	187.00	0.00	(187.00)
	Repairs & Maintenance	31,000.00	2,583.00	0.00	(2,583.00)
	Admin Allocation	175,835.00	14,653.00	14,487.59	(165.41)
	Engineering Allocation	13,080.00	1,090.00	3,021.69	1,931.69
	Water Quality Allocation	87,927.00	7,327.00	4,375.26	(2,951.74)
	NYS Administrative Assessment	11,169.00	931.00	0.00	(931.00)
	<b>Total Operating Expenses</b>	<b>2,253,716.00</b>	<b>187,812.00</b>	<b>146,396.50</b>	<b>(41,415.50)</b>
	<b>Total Operating Income</b>	<b>23,189.00</b>	<b>1,930.00</b>	<b>38,484.73</b>	<b>36,554.73</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	8,500.00	708.00	(3,025.48)	(3,733.48)
	Interest Expense	(100,000.00)	(8,333.00)	0.00	8,333.00
	<b>Total Non-Operating Expe...</b>	<b>(91,500.00)</b>	<b>(7,625.00)</b>	<b>(3,025.48)</b>	<b>4,599.52</b>
	<b>CHANGE IN NET POSITION</b>	<b>(68,311.00)</b>	<b>(5,695.00)</b>	<b>35,459.25</b>	<b>41,154.25</b>

**Regional Water Line  
Change In Net Position  
For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$366,227.00	\$30,519.00	\$28,853.75	(\$1,665.25)
	<b>Total Operating Revenue</b>	<b>366,227.00</b>	<b>30,519.00</b>	<b>28,853.75</b>	<b>(1,665.25)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	172,000.00	14,333.00	13,771.69	(561.31)
	Salaries	32,920.00	2,743.00	2,932.68	189.68
	Fringe Benefits	15,424.00	1,285.00	1,268.47	(16.53)
	Operation & Maintenance	6,300.00	525.00	0.00	(525.00)
	Water Purchases	90,415.00	7,535.00	6,207.48	(1,327.52)
	Office & Administration	250.00	21.00	0.00	(21.00)
	Insurance	6,200.00	517.00	516.67	(0.33)
	Utilities	23,000.00	1,917.00	1,881.79	(35.21)
	Professional Fees	500.00	42.00	0.00	(42.00)
	Repairs & Maintenance	32,500.00	2,709.00	2,004.60	(704.40)
	Admin Allocation	16,606.00	1,384.00	1,377.95	(6.05)
	Engineering Allocation	2,465.00	205.00	444.39	239.39
	Water Quality Allocation	6,208.00	517.00	344.23	(172.77)
	NYS Administrative Assessment	2,016.00	168.00	0.00	(168.00)
	<b>Total Operating Expenses</b>	<b>406,804.00</b>	<b>33,901.00</b>	<b>30,749.95</b>	<b>(3,151.05)</b>
	<b>Total Operating Income</b>	<b>(40,577.00)</b>	<b>(3,382.00)</b>	<b>(1,896.20)</b>	<b>1,485.80</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	1,400.00	117.00	126.51	9.51
	Interest Expense	(54,107.00)	(4,509.00)	0.00	4,509.00
	<b>Total Non-Operating Expe...</b>	<b>(52,707.00)</b>	<b>(4,392.00)</b>	<b>126.51</b>	<b>4,518.51</b>
	<b>CHANGE IN NET POSITION</b>	<b>(93,284.00)</b>	<b>(7,774.00)</b>	<b>(1,769.69)</b>	<b>6,004.31</b>

**Water Sewer Contracts  
Change In Net Position  
For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$1,585,342.00	\$132,112.00	\$134,321.82	\$2,209.82
	<b>Total Operating Revenue</b>	<b>1,585,342.00</b>	<b>132,112.00</b>	<b>134,321.82</b>	<b>2,209.82</b>
<b>OPERATING EXPENSES</b>					
	Salaries	870,246.00	72,521.00	76,907.41	4,386.41
	Fringe Benefits	425,525.00	35,460.00	27,120.73	(8,339.27)
	Operation & Maintenance	50,000.00	4,167.00	0.00	(4,167.00)
	Office & Administration	1,500.00	125.00	0.00	(125.00)
	Insurance	35,400.00	2,950.00	2,950.00	0.00
	Admin Allocation	37,200.00	3,100.00	3,062.10	(37.90)
	Engineering Allocation	11,684.00	974.00	3,212.46	2,238.46
	Water Quality Allocation	144,754.00	12,063.00	10,266.65	(1,796.35)
	NYS Administrative Assessment	8,246.00	687.00	0.00	(687.00)
	<b>Total Operating Expenses</b>	<b>1,584,555.00</b>	<b>132,047.00</b>	<b>123,519.35</b>	<b>(8,527.65)</b>
	<b>Total Operating Income</b>	<b>787.00</b>	<b>65.00</b>	<b>10,802.47</b>	<b>10,737.47</b>
<b>NON-OPERATING REVENUE...</b>					
<b>CHANGE IN NET POSITION</b>		<b>787.00</b>	<b>65.00</b>	<b>10,802.47</b>	<b>10,737.47</b>

**Engineering**  
**Change In Net Position**  
**For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$704,490.00	\$58,708.00	\$50,718.26	(\$7,989.74)
	<b>Total Operating Revenue</b>	<b>704,490.00</b>	<b>58,708.00</b>	<b>50,718.26</b>	<b>(7,989.74)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	11,400.00	950.00	695.25	(254.75)
	Salaries	373,117.00	31,093.00	21,644.06	(9,448.94)
	Fringe Benefits	151,667.00	12,639.00	17,146.30	4,507.30
	Operation & Maintenance	96,800.00	8,066.67	5,598.68	(2,467.99)
	Office & Administration	37,291.00	3,109.33	184.48	(2,924.85)
	Insurance	16,600.00	1,383.00	1,383.33	0.33
	Professional Fees	1,000.00	83.00	0.00	(83.00)
	Automobile	15,500.00	1,291.00	789.98	(501.02)
	Computer Expenses	36,450.00	3,037.00	18,700.00	15,663.00
	Admin Allocation	51,586.00	4,299.00	4,248.68	(50.32)
	Engineering Allocation	(86,534.00)	(7,211.00)	(23,519.92)	(16,308.92)
	NYS Administrative Assessment	3,861.00	322.00	0.00	(322.00)
	<b>Total Operating Expenses</b>	<b>708,738.00</b>	<b>59,062.00</b>	<b>46,870.84</b>	<b>(12,191.16)</b>
	<b>Total Operating Income</b>	<b>(4,248.00)</b>	<b>(354.00)</b>	<b>3,847.42</b>	<b>4,201.42</b>
<b>NON-OPERATING REVENUE...</b>					
	<b>CHANGE IN NET POSITION</b>	<b>(4,248.00)</b>	<b>(354.00)</b>	<b>3,847.42</b>	<b>4,201.42</b>

**Regional Development  
Change In Net Position  
For the One Month Ending Saturday, April 30, 2022**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$238,820.00	\$19,902.00	\$25,931.59	\$6,029.59
	Grant Revenue	375,093.00	31,258.00	4,225.09	(27,032.91)
	Loan Interest Income	493,000.00	41,083.00	27,642.00	(13,441.00)
	Other Income	31,000.00	2,582.00	8,571.75	5,989.75
	<b>Total Operating Revenue</b>	<b>1,137,913.00</b>	<b>94,825.00</b>	<b>66,370.43</b>	<b>(28,454.57)</b>
<b>OPERATING EXPENSES</b>					
	Salaries	348,579.00	29,049.00	26,773.09	(2,275.91)
	Fringe Benefits	126,673.00	10,558.00	9,797.32	(760.68)
	Operation & Maintenance	17,000.00	1,417.00	0.00	(1,417.00)
	Community Benefits	148,234.00	0.00	0.00	0.00
	Office & Administration	15,025.00	1,255.00	676.50	(578.50)
	Bad Debt Expense	0.00	0.00	4,083.55	4,083.55
	Professional Fees	104,690.00	8,724.00	8,000.00	(724.00)
	Computer Expenses	750.00	63.00	0.00	(63.00)
	Grants	366,000.00	30,500.00	0.00	(30,500.00)
	Admin Allocation	163,620.00	13,635.00	13,492.39	(142.61)
	Engineering Allocation	747.00	62.00	243.32	181.32
	<b>Total Operating Expenses</b>	<b>1,291,318.00</b>	<b>95,263.00</b>	<b>63,066.17</b>	<b>(32,196.83)</b>
	<b>Total Operating Income</b>	<b>(153,405.00)</b>	<b>(438.00)</b>	<b>3,304.26</b>	<b>3,742.26</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	145,700.00	12,142.00	(107,469.24)	(119,611.24)
	<b>Total Non-Operating Expe...</b>	<b>145,700.00</b>	<b>12,142.00</b>	<b>(107,469.24)</b>	<b>(119,611.24)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(7,705.00)</b>	<b>11,704.00</b>	<b>(104,164.98)</b>	<b>(115,868.98)</b>

Development Authority of the North Country  
 Board Contract Summary  
 June 2022

**NON-LEWIS COUNTY CONTRACTS**

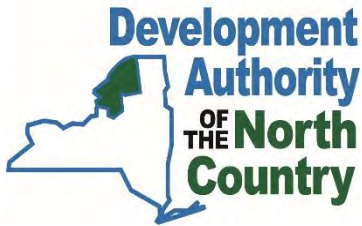
Company	Customer	Contract Type	Description of Services/Contract Title	Current Agreement (\$)	New Agreement / Amendment (\$)	Total Agreement	Start Date	End Date	County
11	Fort Drum	MOU	GIS Data Sharing	\$ -	\$ -	\$ -	7/1/2022	7/1/2032	
11	Town of Hermon	TSA	Main Street New York Grant Assistance	\$ -	\$ 1,500.00	\$ 1,500.00	6/1/2022	7/30/2022	St. Lawrence
60	Village of Richville	TSA	Engineering Planning Grant and USDA Grant Assistance	\$ -	\$ 3,800.00	\$ 3,800.00	7/1/2022	12/31/2022	St. Lawrence
60	Town of Diana	TSA	Water System Improvement Project Amendment 3	\$ 30,000.00	\$ 25,000.00	\$ 55,000.00	7/1/2022	12/31/2023	Lewis
60	Village of Potsdam	TSA	NBRC Grant Administration	\$ -	\$ 7,150.00	\$ 7,150.00	7/1/2022	9/30/2024	St. Lawrence

**LEWIS COUNTY CONTRACTS**

Company	Customer	Contract Type	Description of Services/Contract Title	Current Agreement (\$)	New Agreement / Amendment (\$)	Total Agreement	Start Date	End Date	County

**Contract Types**

- GIS - GIS Services
- MS - WQ Management Services
- O&M - WQ Operations & Maintenance
- SSA - SCADA Services
- TSA - Technical Services



**Board Resolution No. 2022-06-55  
June 23, 2022**

**MATERIALS MANAGEMENT DIVISION  
FY2022-2023 CAPITAL BUDGET AMENDMENT  
MAIN PUMP STATION UPGRADE PROJECT**

Whereas, the Development Authority of the North Country adopted a Fiscal Year 2017-2018 Materials Management Division Budget pursuant to **Resolution No. 2017-03-17**, and

Whereas, the Resolution authorized a \$500,000 capital project for upgrades to the Materials Management Facility Main Pump Station, and

Whereas, as a result of a competitive procurement process the Authority retained Barton & Loguidice to provide professional engineering services for such project for a total cost of \$67,700, and

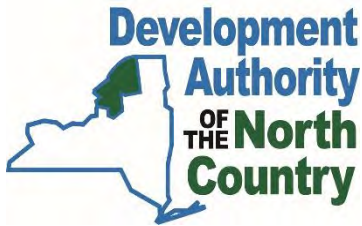
Whereas, project construction was bid in accordance with Authority procurement policies and a total of six (6) bids were received for three associated contracts, and

Whereas, the sum of the lowest responsive and responsible bid for each contract resulted in a total project bid of \$478,362, increasing the total project costs to \$595,000, and

Whereas, our consulting engineer, Barton & Loguidice, and internal engineering staff have reviewed bid results and attribute the increased project costs to the COVID-19 pandemic, which has resulted in increases in equipment and material costs, and a shortage of contractors to meet increased demand.

Now, therefore be it

**RESOLVED, that the Development Authority of the North Country herewith authorizes the Chief Financial Officer to increase the budget for Capital Project 20156 (MMF Main Pump Station Upgrades) from \$500,000 to \$595,000.**



**Board Resolution No. 2022-06-56**  
**June 23, 2022**

**MATERIALS MANAGEMENT FACILITY  
MONITORING WELL DECOMMISSIONING PROJECT  
STATE ENVIRONMENTAL QUALITY REVIEW ACT DETERMINATION**

Whereas, the Development Authority of the North Country (Authority) approved Capital Project No. 20203 per Resolution No. 2022-02-10 to decommission 48 abandoned groundwater monitoring wells at the Materials Management Facility, and

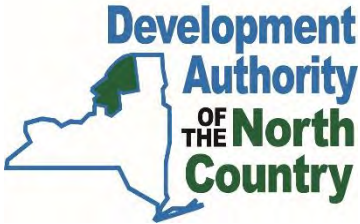
Whereas, New York State Department of Environmental Conservation (DEC) regulations require that inactive groundwater monitoring wells be decommissioned in accordance with DEC requirements specified in CP-43: Groundwater Monitoring Well Decommissioning Policy, and

Whereas, this work will be completed with nominal land disturbance and the project is needed to maintain landfill operations in conformance with DEC requirements. The proposed project secures or removes the well pipes and injects grout, to prevent groundwater contamination and hazardous ground conditions. The project meets the following Type II classification under 6 NYCRR 617.5(c)(24) of the State Environmental Quality Review Act (SEQRA): "information collection, including basic data collection and research; water quality and pollution studies, traffic counts, engineering studies; surveys; subsurface investigations; and soils studies that do not commit the agency to undertake, fund or approve any Type I or Unlisted action", and

Whereas, since the proposed action meets the Type II Action classifications listed under 6 NYCRR 617.5 (c)(24), the proposed abandonment work can be formally classified as Type II under the SEQRA and it can be further determined that the proposed action is not anticipated to have a significant impact on the environment.

Now, therefore be it

**RESOLVED, that the Development Authority of the North Country does hereby determine that the Monitoring Well Decommissioning project is a Type II Action, and will not have a significant adverse impact on the environment, and therefore, no Environmental Impact Statement needs to be prepared and no further action with regard to the SEQRA is required.**



**Board Resolution No. 2022-06-57**  
**June 23, 2022**

**MATERIALS MANAGEMENT DIVISION**  
**FY2022-2023 CAPITAL BUDGET AMENDMENT**  
**LEACHATE TRUCK TRACTOR EQUIPMENT REPLACEMENT**

Whereas, the Development Authority of the North Country adopted a Fiscal Year 2022-2023 Materials Management Division Budget pursuant to **Resolution No. 2022-02-10**, and

Whereas, the Resolution authorized a \$140,000 capital project for the replacement of the Leachate Truck Tractor, and

Whereas, as a result of a competitive procurement process the Authority received a price of \$149,522.10 from Beam Mack Sales Service, Inc. (Vendor) through New York Statewide Contract #8996, and

Whereas, the Vendor estimates that the truck tractors will not be available until sometime in 2023, and

Whereas, the Vendor reserves the right to adjust their pricing to accommodate the actual price of the tractor at the time of purchase.

Now, therefore be it

**RESOLVED**, that the Development Authority of the North Country herewith authorizes the Chief Financial Officer to increase the budget for Capital Project 20197 (MMF Leachate Truck Tractor FYE23) from \$140,000 to \$170,000.



**Board Resolution No. 2022-06-58**  
**June 23, 2022**

**PHASE I ARMY WATER LINE PIPELINE REPLACEMENT PROJECT  
OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION  
DEFENSE COMMUNITY INFRASTRUCTURE PILOT PROGRAM**

Whereas, the Development Authority of the North Country owns and operates an 11.2 mile 20 inch ductile iron water transmission main that provides water services to Fort Drum, and the Towns of Champion, LeRay and Pamela, known as the Army Water Line, and

Whereas, the Development Authority of the North Country (Authority) completed an integrity assessment of the Army Water Line and discovered that certain sections require replacement, and

Whereas, Phase I of the Army Water Line Pipeline Replacement Project will replace approximately 13,000 feet of pipe, and

Whereas, the preliminary cost to complete Phase I of the Project is \$9.1 million comprised of approximately \$0.5 million for engineering services and \$8.6 million for construction costs, and

Whereas, **Resolution No. 2022-02-06** authorized the Authority to apply to the Office of Local Defense Community Cooperation (OLDCC), formerly known as the Office of Economic Adjustment (OEA), for funding toward engineering design and bidding services, and

Whereas, **Resolution No. 2022-05-41** authorized the Director of Regional Development to submit an application for a grant for up to 70% of the total project costs not covered by other federal or state grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation, and

Whereas, since the project is located entirely in a rural area as defined as having a population of less than 100,000 people, the Authority can request a waiver to the 30% match requirement, and

Whereas, funding for the Defense Community Infrastructure Pilot (DCIP) Program through the OLDCC has become available and applications are due July 18, 2022, and

Whereas, the Authority will apply for funding through the DCIP Program for a grant of up to 100% of the total eligible project costs associated with Phase I of the Army Water Line Pipeline Replacement Project, and

Whereas, the grant may require a 30% non-federal match if the 100% grant is not awarded which will come from project reserves and proposed bonding, and

Whereas, the Authority has briefed Fort Drum on Phase I of the Army Water Line Replacement Project and Fort Drum Garrison supports the application to OLDCC, and

Whereas, it was determined by the Authority and OLDCC that the Director of Regional Development, as program administrator, should execute the appropriate agreements for said grant.

Now, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby authorize the Director of Regional Development to submit an application for a grant for up to 100% of the total eligible project costs not covered by other federal or state grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation, and be it further**

**RESOLVED, the Development Authority of the North Country does hereby authorize the Director of Regional Development to execute the grant agreement with the Office of Local Defense Community Cooperation, if funded, and implement the grant.**



**Board Resolution No. 2022-06-59**  
**June 23, 2022**

**2022 HOME PROGRAM YEAR  
AUTHORIZING CONTRACTS**

Whereas, the Administrative Board for the North Country HOME Consortium met on March 9, 2022 and awarded funding from its 2022 Housing and Urban Development (HUD) HOME allocation in the amount of \$911,802, 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 \$220,123 in project and administration funds to assist about 5 eligible homeowners in Jefferson County with home repairs, and

Whereas, Snow Belt Housing will receive \$300,000 in project and administration funds to assist about 9 eligible homeowners located in Lewis County with home repairs, and

Whereas, Neighbors of Watertown will receive \$220,124 in funding to assist 6 income eligible households in the City of Watertown with home repairs, 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, 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.**

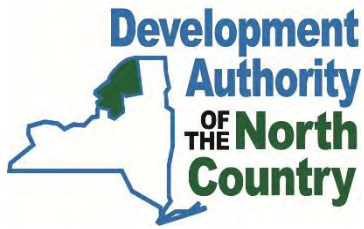
## 2022 HOME CONSORTIUM FUNDING AWARDS

*\*SUBJECT TO RELEASE OF FUNDS BY HUD*

<b>Organization</b>	<b>Amount</b>	<b>Use of Funds</b>
North Country Affordable Housing	\$220,123	Owner-occupied rehabilitation, Jefferson County
Snow Belt Housing	\$300,000	Owner-occupied rehabilitation, Lewis County
Neighbors of Watertown	\$220,124	Owner-occupied rehabilitation, City of Watertown
Development Authority of the North Country	\$35,000	Grant Administration
Jefferson County	\$10,000	Grant Administration

*\*There were no CHDO applicants/awards in 2022. \$136,771 will carry-forward to 2023.*

*\*Note: 2021 recaptured funds in the amount of \$10,216 added to the "2022 Home Consortium Funding Awards".*



**Board Resolution No. 2022-06-60**  
**June 23, 2022**

**REGIONAL TOURISM TRANSFORMATIONAL COMMUNITY  
REVOLVING LOAN FUND  
JAMES ANDREW MILNE, OR  
NEW CORPORATION TO BE FORMED  
LOAN MODIFICATION**

Whereas, **Resolution No. 2013-08-12** establishes the Regional Tourism Transformational Community Revolving Loan Fund, and

Whereas, **Resolution No. 2021-12-133** approved a loan in the amount of \$100,000 to James Andrew Milne, or a new corporation to be formed, from the Regional Tourism Transformational Community Revolving Loan Fund in order to acquire the property currently known as Amanda's Village Motel located at 185 River Street, Saranac Lake (Essex County), and

Whereas, the applicant proposes to acquire the 11-room motel in order to make some improvements to it in order to retain affordable lodging in the Saranac Lake/Lake Placid area, and

Whereas, the approval required an as completed appraisal of at least \$562,500 for a 1:1 loan to value, and

Whereas, the total debt in the project is now \$512,500 with Mr. Milne contributing more cash equity into the project, and

Whereas, an as completed appraisal of at least \$512,500 is needed for a 1:1 loan to value, and

Whereas, the as completed appraisal dated April 28, 2022 valuating the business as a going concern had a value of \$555,000.

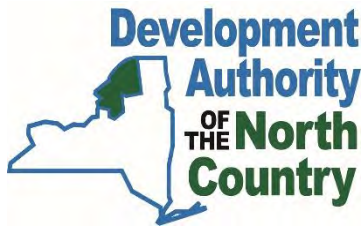
Now, therefore be it

**RESOLVED, Development Authority of the North Country does hereby ratify a loan in the amount of \$100,000 from the Regional Tourism Transformational Community Revolving Loan Fund to James Andrew Milne, or new corporation 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, 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:	James Andrew Milne, or new corporation to be formed
Loan Fund:	Regional Tourism Transformational Community Revolving Loan Fund [Empire State Development Funds]
Amount:	\$100,000.00
Loan Term:	20 years
Loan Rate:	1%
Loan Payment:	Regular monthly principal and interest payments to fully amortize the loan over 240 months
Collateral:	<p>Co-proportional second mortgage and assignment of rents and leases on 185 River Street, Saranac Lake, NY 12983 (tax parcel #32.214-2-9.000);</p> <p>Co-proportional 2<sup>nd</sup> lien on all machinery and equipment, furniture and fixtures, inventory, accounts receivable, and general intangibles of new corporation to be formed</p>
Conditions:	<ul style="list-style-type: none"><li>• Cash equity of a minimum of \$112,500 demonstrated at closing by the disbursement statement.</li><li>• Community Bank financing of \$312,500</li><li>• Other gap funding commitment of \$100,000</li><li>• Labor peace does not apply as it is an existing business with less than 15 employees</li><li>• Acceptable MWBE plan or waiver</li><li>• Personal Guaranty of James Andrew Milne</li><li>• Satisfactory third party broker opinion or appraisal with a minimum value of at least \$512,500 for a 1:1 LTV</li><li>• Tourism Funds to go toward improvements and some acquisition</li><li>• Copies of invoices, and cancelled checks or bank statements</li></ul>



**Board Resolution No. 2022-06-61  
June 23, 2022**

**COMMUNITY DEVELOPMENT LOAN FUND  
CRANBERRY LAKE MOUNTAINEERS SNOWMOBILE CLUB, INC.  
LOAN**

Whereas, the Cranberry Lake Mountaineers Snowmobile Club, Inc. ("Club") is requesting up to \$280,000 from the Community Development Loan Fund to assist with the acquisition of a groomer and drag for their snowmobile trails located in St. Lawrence County, and

Whereas, the Club received a Recreational Trails Program grant of \$233,240 toward the purchase of the groomer and drag, and

Whereas, the Club has to purchase and receive the equipment before they can submit for reimbursement of the grant, and

Whereas, the grant proceeds will pay down the loan to \$60,000 which will be termed out for 7 years, and

Whereas, an additional \$20,000, making the final term loan \$80,000, will be available contingent upon receipt of purchase order and proof of all funding for a new groomer to be purchased in late summer/fall 2022, and

Whereas, the contingency for the additional \$20,000 will expire if the groomer is not purchased by December 31, 2022, and

Whereas, the Authority has provided similar loans to snowmobile associations in the past, and

Whereas, the project meets the requirements of the Community Development Loan Fund.

Now, therefore be it

**RESOLVED, Development Authority of the North Country does hereby approve a loan in the amount of up to \$280,000 to the Cranberry Lake Mountaineers Snowmobile Club, Inc. 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, 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: Cranberry Lake Mountaineers Snowmobile Club, Inc.

Loan Fund: Community Development Loan Fund

Amount: up to \$280,000 paid down to an up to \$80,000 term loan

Loan Term: 7 years

Loan Rate: Wall Street Journal Prime set at loan closing, fixed

Loan Payment: Annual principal and interest payments

Collateral: First lien on 2023 Tucker Groomer

Conditions: Funding commitment from Recreational Trails Program grant of \$233,240  
Members' loans on standby to DANC loan  
Assignment of grant proceeds to pay down DANC loan  
Final \$20,000 to be disbursed upon proof of all funding and a purchase order for new groomer for Star Lake

**BORROWER:** Cranberry Lake Mountaineers Snowmobile Club Inc.

**BUSINESS LOCATION:** PO Box 481, Cranberry Lake, NY 12927

**OWNERSHIP:** 501 C 3 not for profit

**OFFICERS:**  
Heather Cowen-Wilson      President  
Todd Szlamczynski      Vice President  
Bridget Webber      Secretary  
Nancy Russell      Treasurer  
Leo Burns

**AMOUNT:** up to \$280,000.00

**TERM:** 7 year term

**RATE:** Wall Street Journal Prime set at closing, (4% as of 6/13/2022)

**PAYMENTS:** Annual principal and interest to amortize over 7 years.

**COLLATERAL:** First lien on 2023 Tucker groomer

**USE OF FUNDS:** \$280,000 to bridge NYS Grant, upon receipt of grant proceeds, pay down loan to \$60,000, up to \$20,000 available for down payment on groomer for Star Lake, making total term loan up to \$80,000\*\*

**GUARANTORS:** None

**EMPLOYEES:**  
Current:      0 FTE  
Years 1-3:      0 FTE  
Total:      0 FTE

**USE OF FUNDS:**

**SOURCES OF FUNDS**

**USES OF FUNDS**

Authority Loan	\$ 60,000.00	2022 Tucker Groomer	\$261,951.00
NYS Recreation Trails Program	\$233,240.00	Trail Paver II Drag	\$ 31,289.00
Cash	\$ 2,500.00	Equipment	\$ 2,500.00
Total Sources	<u>\$295,740.00</u>	Total Uses	<u>\$295,740.00</u>

\*\*Remaining \$20,000 available toward purchase of a groomer for Star Lake. Their plan is to sell their existing two 1990's vintage John Deere groomers. With these funds, the Authority's \$20,000, and a possible grant from St. Lawrence County for \$20,000, they will look to purchase a new Kubota tractor. Since the details for this piece of equipment are not finalized, and it is likely that the equipment will need to be purchased in the next three months, staff recommends committing the additional \$20,000 toward the purchase of this equipment, contingent upon receipt of a purchase order and proof of all funding. The commitment for the \$20,000 will expire 12/31/2022 if the equipment is not ordered prior to that date. There is sufficient collateral and debt service coverage ratio to validate an \$80,000 term loan.

NYS Recreation Trails Program Grant-Approved

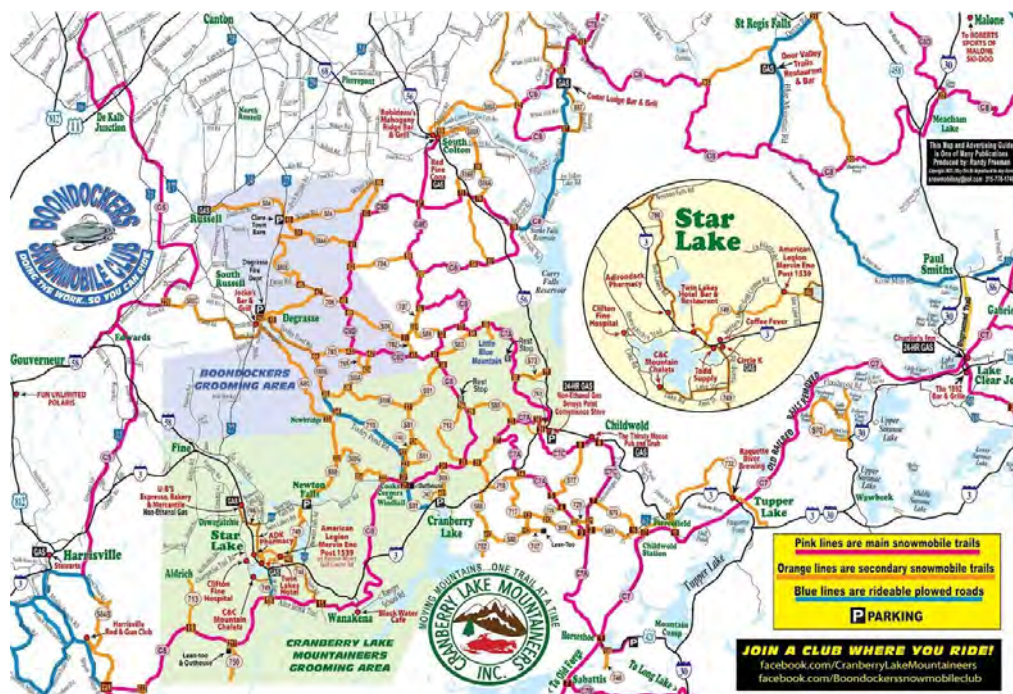
**PROJECT:**

The Cranberry Lake Mountaineers Snowmobile Club, Inc. is requesting up to \$280,000 from the Community Development Loan Fund for bridge and permanent financing for a NYS Recreation Trails Program grant to purchase a new groomer and trail paver drag. Upon receipt of the grant funds, the loan would be paid down to \$60,000 which would be a permanent loan with annual payments over 7 years at the Wall Street Journal Prime rate fixed at the time of the closing. The additional \$20,000 would be committed to a new Kubota tractor for Star Lake with the commitment expiring 12/31/2022 if the equipment is not purchased by then [conditions are defined above \*\*].

While the Club is looking for 100% financing between the DANC loan and the Grant, they are a newly formed Club that divested itself from the St. Lawrence County Snowmobile Association in 2021. They have been investing significant cash and in-kind resources in able to purchase equipment. They have also utilized significant in-kind labor for trail maintenance and other projects. In addition, with the increased cost of diesel and the need to purchase another tractor for Star Lake, they are requesting assistance in purchasing the Tucker Groomer and drag.

The Cranberry Lake Mountaineers Snowmobile Club, Inc, is a tax-exempt non-profit 501(c)3. In three years, their membership has increased nearly fifty percent to 448 members. Over half of their members live outside of St. Lawrence County with ten percent living outside of New York State. Snowmobile trails in the area are arguably some of the best in the North East and generate much-needed winter tourism. For the first time ever, during the 2021-2022 season, the St. Lawrence County Board of Legislators agreed to distribute funds directly to the clubs that generated the funds. This meant the Cranberry Lake Mountaineers Club had to raise funds and write grants to purchase grooming equipment.

The Club maintains nearly 150 miles of trails that include 99 OPRHP-funded miles in the four towns. Since May of 2021, the Club has purchased a 1995 John Deere 5300 with Gilbert tracks, a 1998 John Deere 6410 with Gilbert tracks, and a 2008 PistenBully 200 Edge. A loan of \$45,000 from nine members allowed the purchase of the PistenBully and a drag. The Club owns outright the two John Deere tractors and drags. They are however old and need replacement.



In December 2021, the Club was awarded a federally-funded Recreational Trails Program (RTP) grant to acquire Trail Maintenance Equipment. The grant is administered by the Office of Parks Recreation and Historic Preservation (OPRHP). The RTP grant requires the equipment to meet the “Buy America” requirements that it be manufactured in the USA with American steel. The only full-sized groomer that meets the “Buy America” is a 2023 Tucker 2000 groomer made in Oregon (\$261,951). The TrailPaverII drag is made in Western New York (\$30,395).

The RTP grant stipulated that the Club must first purchase the equipment, then get reimbursed eighty percent of the expense up to the maximum award of \$233,240. The Club is requesting a bridge loan from the Authority to provide the club with funds to cover the entire purchase price of the Tucker groomer and drag. This money would be repaid within two months of the purchase date. When the grant funds come in, the loan would be paid down to \$60,000. They would then have an additional \$20,000 available to them to leverage funds to replace the 1995 groomer and drag located in Star Lake. Because of the NY Supreme Court rulings, of the New York State Constitution “Forever Wild Clause,” the 2023 Tucker groomer & drag can’t be used on 20 miles of Corridor 8 (C8) in Star Lake because it is too large. C8 from Herkimer County to Star Lake and Wanakena consistently receives enough snow and connects Southwest St. Lawrence County to the Tug Hill Region. The Star Lake groomer can only be a maximum of 8’ wide and under 10,000 lbs. This requires a smaller groomer such as a Kubota L6060 with Soucy tracks.

The underwriter asked why they are not purchasing a groomer and drag that meets the “Forever Wild Clause.” They stated that there is not a new groomer for sale that meets the “Buy America” requirements of the RTP grant that is under 8’ wide and 10,000lbs. In years past, Tucker manufactured a Tucker 1000 that was 8’ wide and at the 10,000 lbs requirements. Tucker no longer makes this model, the model that replaced this is a Tucker 1100E with a weight of

12,380lbs. To meet the new EPA emissions standards has adds 2,000 lbs. to all of the Tucker diesel motors.

The 2023 Tucker 2000 they are purchasing weights 13,500 lbs and is 8'8" wide. The 4,000 lbs 8'6" wide Trail Paver II drag processes the snow & compacts it much better than a lighter tractor would. This is the best groomer to maintain the trails. The drag weight helps the trail hold up much better to traffic. This groomer will be placed near the middle of their trail maintenance area in Cranberry Lake. It can groom East or West, just not the 20 miles connecting Herkimer & Lewis County to the rest of their trails.

With 150 miles of trails, they need 3 groomers to effectively groom. When grooming, they go down & back on their 12' wide trails, except for the 20 miles of trail that are 8' wide in Star Lake. This requires 300 miles of grooming to groom all trails once. A groomer averages 5 miles an hour, to groom all of their trails requires 60 volunteer hours. With their 3 groomers operating it takes 2-3 days to groom the trails once. Grooming at night allows the trail to set up. Then they are back out grooming trails again. Corridor 8 and 7A along with other heavily used trails are sometimes groomed 3 times a week. They were plagued with groomer breakdowns requiring volunteers to be turning wrenches instead of grooming.

As background, in April of 2021, the Club did not own a groomer. In July 2021, they submitted an RTP grant for a new Tucker. They were awarded the grant in December and it was approved by the FHA this spring. They limped through the 2021-2022 snowmobile season with two 1990's vintage John Deere groomers and a newer 2008 Pisten Bully groomer. The 1995 John Deere 5300 was used to groom Star Lake including the 20 miles of narrow trails. In February 2022, the Town of Fine Highway Superintendent reached out to the Club stated that he did not want the 1995 steel tracked John Deere groomer on either the side of the Youngs Rd or Inlet Road. As long as it was cold, he would allow them to use the side of the roads. This effectively cut off a way to get to Corridor 8 from their groomer storage pole barn at the American Legion in Star Lake if the weather warmed.

The towns of Clifton and Fine together have a population of 2,200 people. They also maintain trails in portions of the Towns of Clare and Colton. The Club's citizen's struggle and the economic benefits of the winter tourism income are needed. Smooth trails are safer and increase ridership.

Airbnb, VRBO, and area motel businesses have sprung up in the past year. A new motel "Coyote's Den" just opened in Cranberry Lake. Last July, The Tug Hill Partners published the results of their Snowmobile Economic Impact study. They know snowmobile tourism is increasing! In April, their Club was recognized by the New York State Snowmobile Association when they named it the 2022 NY State Snowmobile Club of the Year!

**Letters of Support-**They provided letters of support for their groomer project from Senators Schumer and Gillibrand, NYS Senators Stec and Ritchie, the St. Lawrence County IDA, St. Lawrence County Board of Legislators, Towns of Clifton, Clare, and Fine, and the NYS DEC office of Forestry, along with several other entities.

## FINANCIALS:

### Historical

	<u>2021</u>	<u>2022</u>	Budget <u>2023</u>
Total Revenue	\$15,022	\$161,540	\$405,073
Expenses			
Groomer 1 SL	\$0	\$14,055	\$6,050
Groomer 2 Cranberry Lake	\$0	\$57,640	\$19,450
Groomer 3 Sevey	\$0	\$33,606	\$33,850
Groomer Storage Blds	\$0	\$16,530	\$700.00
Other Groomer Expenses	\$150	\$0	\$400.00
Groomer 4 2023 Tucker	\$0	\$0	\$293,200
Trail Expenses	\$2,799	\$10,121	\$15,300
Operating Expenses	\$2,267	\$7,112	\$9,225
Administrative Expenses	<u>\$791</u>	<u>\$5,400</u>	<u>\$1,850</u>
Total Expenses	\$9,015	\$144,464	\$380,025
Increase in Net Assets	\$9,015	\$17,076	\$25,048
Add Back: Interest		\$9,000	\$9,000
Total Cash Available for Debt	\$9,015	\$26,076	\$34,048
Debt Service-DANC/Village	\$13,329	\$13,329	\$13,329
Members' Loan	<u>\$9,000</u>	<u>\$9,000</u>	<u>\$9,000</u>
Total Debt Service	\$22,329	\$22,329	\$22,329
DSC Ratio	.40	1.17	1.52

- The historical financial information for 2021, 2022 and the budget for 2023 was internally prepared.
- The Club split from the St. Lawrence County Snowmobile Association in 2021. They now receive a steady fund of \$39,600 from OPRHP funded by snowmobile registration fees. This income is distributed to our Trail Maintenance Entity (TME) by St. Lawrence County. With membership dues and fundraising they have an annual operating budget of \$65,000+.
- Primary income in 2023 is from the OPRHP, \$39,264, membership dues, \$9,800, fundraisers, \$8,500, groomer sponsor, \$7,500, and sponsor board, \$5,000. The total revenue in 2023 also reflects the \$292,504 associated with the Tucker Groomer and drag being purchased. These are offset by capital expenses.
- Primary expenses are for diesel, repairs, and existing debt of \$9,000 paid to members for the purchase of the 2008 PistenBully 200 Edge. These are annual payments that begin 12/15/2022.
- Other operating and administrative expenses are for insurance, fundraising expenses, office supplies, and printing.

### Balance Sheet

	6/10/2022	At Closing
Current Assets	\$61,855	\$61,855
Fixed Assets	\$111,500	\$427,240
Total Assets	\$173,355	\$489,095
Current Liabilities	\$0	\$19,128
Long-Term Liabilities	\$45,000	\$105,872
Total Liabilities	\$45,000	\$125,000
Net Assets	\$128,355	\$364,095
Total Liabilities & Net Assets	\$173,355	\$489,095

- On 6/10/22, primary current assets are in cash, \$22,255, and grants receivable, \$39,600. The primarily liability is the members loan.
- The ‘At Closing’ is upon pay-down of the bridge financing and assumes that the full \$80,000 has been disbursed. When the remaining \$20,000 is disbursed, there will be a corresponding increase in fixed assets as well.

**Credit:**

The Cranberry Lake Mountaineers Snowmobile Club has a high risk Logic Score of 55, with a warning business failure assessment. It has no days beyond terms reported, either currently, or historically. It has no derogatory public records, collection accounts, or pending lawsuits. It has no trade lines established. It was formed in NYS in December 1987.

**Collateral Analysis**

	Full Market Value	Discount
<b>2023 Tucker 2000 Groomer</b>	\$260,950	
Discounted at 50% LTV		\$130,475
Improvements		
Total	\$260,950	\$130,475
Development Authority	\$80,000	\$80,000
<b>Total LTV</b>	<b>30.6%</b>	<b>61.3%</b>

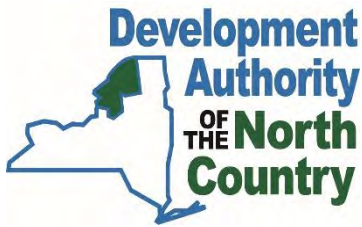
Full Market Value equals Cost. Lien of \$80,000 will go against the Tucker 2000 Groomer.

**Contingencies:**

- Recreation Trails Maintenance grant of \$233,240
- Members’ Loans on Standby to DANC Debt
- Assignment of grant proceeds to pay down loan
- Final \$20,000 to be disbursed upon proof of all funding for new groomer for Star Lake.

**STAFF RECOMMENDATION:**

Staff recommends a loan of up to \$280,000 from the Community Development Loan Fund to the Cranberry Lake Mountaineers Snowmobile Club, Inc. based upon the terms and conditions above.



**Board Resolution No. 2022-06-62**  
**June 23, 2022**

**GRANT AGREEMENT**  
**NORTH COUNTRY DIGITAL FILM PROJECTOR CONVERSION FUND**  
**EMPIRE STATE DEVELOPMENT**

Whereas, **Resolution No. 2013-08-13** established the Regional Digital Film Projector Conversion Revolving Loan Fund with a \$400,000 grant from Empire State Development (Grant #Y647), and

Whereas, the Development Authority of the North County received one draw of \$200,000 from Empire State Development, and

Whereas, any funds repaid to the Digital Film Projector Conversion Fund were to be deposited into the North Country Transformational Community Tourism Fund, and

Whereas, one loan was made for \$56,000 to the Appleby Foundation for a digital film projector conversion project at the Hollywood Theatre in Ausable Forks, and

Whereas, Grant #Y647 is complete and Empire State Development has requested the funds on-hand for the Digital Film Projector Conversion Fund be returned, and

Whereas, the Authority has \$144,179 of funds on-hand that includes accrued interest in funds dedicated to the Digital Film Projector Conversion Fund, and

Whereas, the Authority will submit a request to Empire State Development that the Digital Film Projector Conversion Funds totaling \$344,179, which includes the \$144,179 on-hand plus the unallocated amount of \$200,000, be reallocated to the North Country Transformational Tourism Revolving Loan Fund (Grant #Y648).

Now, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby consent that the Digital Film Projector Conversion Fund Grant #Y647 is complete and authorizes the Executive Director to return \$144,179 to Empire State Development, and be it further**

**RESOLVED, the Director of Regional Development is authorized to request from Empire State Development that \$344,179 be reallocated to the North Country Transformational Community Tourism Fund (Grant #Y648) to be administered per the terms and conditions of the fund previously set forth with Empire State Development.**