



## **MEETING NOTICE**

**Thursday, June 27, 2024  
Warneck Pump Station  
23557 NYS Rt. 37  
Watertown, New York**

**James W. Wright Conference Room  
& Zoom Videoconference**

**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: 841 9143 8316 Passcode: 807269**

**<https://us02web.zoom.us/j/84191438316?pwd=bE05bE83Z2dyZUgvcE5MYUs3KzZpUT09>**

Board Member Doheny will be participating via Zoom at:  
Hilton Chicago/Northbrook, Business Center, 2855 Milwaukee Ave., Northbrook, IL 60062

Board Member McGrath will be participating via Zoom at:  
800 Third Avenue, 13<sup>th</sup> Floor, New York, NY 10022

**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 27, 2024 – 10:30 AM**  
**Warneck Pump Station**  
**23557 NYS Rt. 37**  
**Watertown, New York**

1. Call to Order
2. Call the Roll
3. Privilege of the Floor
4. Approve the Minutes of May 23, 2024 Board Meeting
5. Chairperson's Report
6. Executive Director's Report
7. FYE 2024 Investment Report – RBC
8. Independent Audit – EFPR Group
  - a. Resolution No. 2024-06-47, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2024
  - b. Resolution No. 2024-06-48, Approving the Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year 2024
  - c. Resolution No. 2024-06-49, Approving Annual Bond Sales Report for Fiscal Year Ending March 31, 2024
9. Finance Report – Chief Financial Officer  
Approving Financials for the month ending April, 2024
10. Technical Services Summary Report
11. Materials Management -
  - a. Resolution No. 2024-06-50, Authorizing the Sale of Carbon Credits, Material Management Facility

12. Regional Development –

- a. Loan Report -
- b. Resolution No. 2024-06-51, Affordable Rental Housing Program, DGGL Properties, LLC, Loan Modification
- c. Resolution No. 2024-06-52, Economic Development Fund, Jefferson County Historical Society, Loan Extension
- d. Resolution No. 2024-06-53, Consent to Release Investor Member, Carthage Apartments LLC
- e. Resolution No. 2024-06-54, Clayton Improvement Association

13. Strategic Planning FY24 – Progress Update: June 2024

14. Next Meeting – August 22, 2024

15. Adjourn



**MINUTES**  
**BOARD OF DIRECTORS MEETING**  
Thursday, May 23, 2024 – 10:30 AM  
Warneck Pump Station  
James W. Wright Conference Room  
23557 NYS Rt. 37, 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 Warneck Pump Station, 23557 NYS Rt. 37, Watertown, New York on Thursday, May 23, 2024 at 10:30 AM.

**Members Present**

Voting

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

Non-Voting

Nancy Henry  
Brian McGrath\*

\*Attended via videoconferencing.

**Members Absent**

Steve 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  
Thomas Haynes, Director of Engineering  
Jacqueline LeClair, Assistant Director of Telecommunications  
Laurie Marr, Director of Communications and Public Affairs  
Brian Nutting, Director of Water Quality  
Shawn Thornton, Director of Materials Management  
David Wolf, Director of Telecommunications  
Angela Marra, Executive Assistant  
Tonya Cumoletti, Administrative Associate  
John Phelps, Recycling Coordinator

**Guests:**

Jennifer Granzow, Counsel, Wladis Law Firm

1. Chairperson Murray called the meeting to order at 10:30 AM.
2. Chairperson Murray requested a roll call.
  - A quorum of voting and non-voting members was established.
3. Privilege of the Floor -

A. MacKinnon expressed his appreciation to the Authority for the support he received at the passing of his wife of 57 years.
4. Upon a motion by A. MacKinnon and seconded by K. Bibbins, the minutes from the March 28, 2024 Board Meeting were unanimously approved.
5. Chairperson's Report
  - a. The next scheduled Board meeting is on June 27 at 10:30 AM at the James W. Wright conference room with the purpose to review and accept the fiscal year 2024 audit.
  - b. A meeting of the Audit Committee will be scheduled for the week of June 17. Staff will be contacting the committee to schedule the date and time.
  - c. In compliance with the Public Officer's Law, the Development Authority of the North Country authorizes the use of video conferencing for meetings of the Board of Directors and its committees. The previous law allowed video conference participation, to expire on July 1, 2024. We are happy to report that on April 20, Governor Hochul signed into law a two-year extension, providing for video conferencing participation until July 1, 2026.
  - d. Following today's regular Board Meeting, the Board will go into Executive Session.
6. Executive Director's Report
  - a. Mission Statement –

C. Farone stated that the Mission Statement and Performance Measurements were reviewed in March, and at that time, Board Member McGrath had recommended that we integrate Fort Drum into the Mission of the Development Authority. C. Farone proposed to modify the Mission of the Authority to include Fort Drum, because the Development Authority was created for Fort Drum, Fort Drum is integral to the North Country economy, and it is appropriate to include them in our Mission Statement.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, the proposed modification of the Mission Statement to include Fort Drum, was unanimously approved.
  - b. Performance Measurements –

C. Farone reviewed the Performance Measurements Report for FY 2023-2024, which notes the accomplishments in achieving our goals as defined in our

performance measurements for the fiscal year April 1, 2023 through March 31, 2024. He noted that the items shown in red represent negative or non-performance items. He continued with an overview of this report noting important accomplishments, such as the Army Water Line operating with no violations for the year, Materials Management operating without violation according to numerous permits, and the certification of 12 additional Water Quality division employees. Noted negative bullets were reviewed such as SDVOB Goals not being reached, Army Water Line EPA Administrative Order, 36 Environmental Incident Report Forms which are part of an internal process, and 21 SPDES Violations with proper documentation filed. Federal, State and Local Safety Requirements that were met or exceeded were reviewed showing that we are meeting OSHA safety requirements. Another mentionable highlight was the Army Water Line rehabilitation project which has been substantially completed and staff were able to obtain \$5,750,000 in grants to offset the cost to Fort Drum. We continue to operate transparently with accountability to our partners through a new quarterly stakeholder newsletter that is being distributed electronically and by holding our first Open House since COVID. Through Environmental Stewardship items, the Authority continues to work toward being a more sustainable organization with projects such as a pollinator garden, shrub planting on the side slopes at the landfill to reduce the amount of mowing and benefit wildlife, building a fish passageway at the landfill, and continuing to hold Household Hazardous Waste events with great success. Many great things are listed within Regional Initiatives that staff have done from Regional Development to Engineering that provide support to the various communities in the Tri County region.

Upon a motion by E. Virkler, and seconded by A. MacKinnon, accepting the Fiscal Year End 2024 Performance Measurements Report, April 1, 2023 – March 31, 2024, was unanimously approved.

- c. Armed Forces Day Breakfast -  
C. Farone reported that he was fortunate to attend the Armed Forces Day breakfast sponsored by the Greater Watertown-North Country Chamber of Commerce with six Authority staff members who are veterans. These six employees represented each division within the Authority of the 10 veterans that are part of our 92 Authority staff members.
- d. Next Move NY –  
C. Farone reported that we have made it through the first round and received a second round of questioning through Empire State Development (ESD). Responses were provided by C. Farone and M. Capone on Friday, May 17, and we are now waiting for ESD to inform us what the next step will be. We hope to have a determination of whether the Authority has been selected or not within the next few months so we may begin implementation of the program.
- e. Army Water Line – Capital Project Update –  
C. Farone reported that we are wrapping up this project and the properties along Patterson Road look nice following the contractors remediation.
- f. Educating Elementary Students (Science Fair) –

C. Farone stated that two Authority staff, B. Nutting and J. Phelps, attended the Glen Park Elementary Science Fair to bring what they do to the students and help encourage them to get interested in what we do.

e. Household Hazardous Waste (HHW) Events –

C. Farone reported that the first event in Canton was a success with 220 households participating. He then reviewed the upcoming schedule for four more HHW events.

B. McGrath asked if this is different from the electronics recycling. C. Farone stated that electronics are not accepted at the HHW events. S. Thornton explained that electronics are accepted at all transfer stations during regular business hours.

C. Farone commented that there is a tremendous amount of paint collected at these events. Staff have been proactive in creating a solution to alleviate some of the paint being brought to the HHW events and reduce the wait time for participants.

A. MacKinnon asked if there is a way of putting empty paint cans into the trash. J. Phelps commented that in Jefferson County empty paint cans can go into the regular trash. If there is a small amount of paint, kitty litter can be used to absorb the paint and they can be accepted then as well. He continued by stating that we want to encourage people to bring their paint cans to the certified events or a PaintCare location, a list can be found at [paintcare.org](http://paintcare.org), so the paint can be recycled and kept out of the waste stream. C. Tuttle stated that St. Lawrence County would also accept empty paint cans. S. Thornton stated that hardware stores that sell paint would accept paint cans during business hours as part of a New York State Program. C. Tuttle explained that it benefits everyone by taking it to a paint supplier because they will recycle what they can and you do not have to wait for an annual event.

f. Staff Updates –

C. Farone shared that T. Haynes, the Authority Director of Engineering, has been named as one of Northern New York Business Magazine's 20 Under 40. This program recognizes Northern New York's emerging business leaders. While working for the Authority, Thomas is also the assistant chief of the 60-member Gouverneur volunteer fire company. T. Buckley has recently earned the Project Management Professional Certification. C. Farone further shared a list of employees who have reached longevity service awards with the Authority, ranging from 5 to 25 years.

g. National Security Seminar –

C. Farone reported that he would be out of the office the first week of June to attend the National Security Seminar.

7. Financials –

a. Finance Report – Chief Financial Officer

J. Staples offered a review of the highlights to the Authority's Fiscal Year End, March 31, 2024. The Audit Committee will meet in June with the auditing firm to review the year-end results in detail. The auditing firm will also meet with the full Board on June 27 to review the results.

Prior to reviewing the financials, J. Staples explained that the March financials provided in the Read Ahead Packet have changed because adjusting entries have been made. The first change is attributed to a find made by the auditors regarding two invoices in April that should have been received into March. These invoices were associated with capital projects, one with the Army Sewer Line (ASL) and the other with the Army Water Line (AWL) pipeline replacement project. Both invoices were for work performed in FY24. The affecting entry was to increase the capital assets and to increase unvouchered receipts. When the year-end was closed on March 31, 2024 there were invoices still coming in April for the previous year. There is a manual process between administration and finance to process these invoices; unfortunately, these two invoices were missed resulting in an adjustment amount of \$685,000. Corrective actions have been put into place as a result to prevent this from occurring again. Because of that entry, adjustments needed to be made to the worksheets regarding the AWL and ASL true ups. Each year following the completion of all entries, the AWL and ASL true up work sheet is completed as both are zero profit contracts and we then invoice or credit them for those expenses incurred during the year that are over/under the expected budget. It was while adjusting those worksheets that the error was discovered. There were debt issuance costs for the financing of the AWL and ASL that we expensed because of GASB requirements. They were financed costs that had been marked as expenses to be charged to the Army. These had to be adjusted, which caused another adjustment to be made adding to the amount we owe the Army in FY24. This increased our liability and decreased our customer billings by \$82,000. These entries have been made and will change the financials that were sent in the Read Ahead. We wanted everyone to be aware of these entries that will be reflected in the audited financials.

J. Staples continued reviewing the highlights within the March year-to-date financials. Customer Billings came in \$2 million below budget with Telecom being the only division that came in over budget. Materials Management was 11%, or \$1.2 million, below budget due to waste volume being lower than projected, mainly due to municipal solid waste and contaminated soil. ASL and AWL are both below budget due to lower sewer and water usage and credits owed to the Army at year-end associated with the Army true up referred to above. Engineering is down \$186,000 due to delays and staffing issues on the LGE project in Tupper Lake and delays in regulator approvals associated with other Engineering projects. In total, Operating Income is \$2.1 million less than the budget.

Operating Expenses ended the year under budget by \$1.6 million. O&M costs were under by \$444,000 mainly due to fuel coming in under budget, Wastewater treatment costs were under budget \$296,000 associated with less sewage. Water purchases were under budget by \$208,000 mainly associated with less water being used throughout the year. Fringe benefits came in over budget by \$340,000 associated with the GASB 68 Pension Adjustment that

was made for \$746,000. Depreciation expense came in \$1.9 million under budget, and all divisions with capital projects came in under budget due to several FY24 projects being capitalized late in the fiscal year. The Total Operating Income came in \$1.5 million better than budget.

Interest Income came in at \$344,000 over budget as we continue to see decent interest rates. The Market Adjustment has moved to a positive \$724,000; however, this is not a realized gain but a necessary accounting entry. Pension expense paid to New York State came in at \$58,000 under budget, however, we are required to make an adjusting entry to comply with GASB 68 and this is strictly an accounting entry made as part of our participation in the New York State Retirement Pension Plan. We are required to report our pension liability and pension expense as part of this. This year the adjusting entry was the \$746,000 mentioned previously. We do not pay this amount to the state, and we do not receive funds in years this is a credit as this is strictly an accounting entry required by GASB. Waste Volumes projected tons were off from actual tons by 11% due to municipal solid waste and contaminated soil. Host Community Benefits for the landfill came in under budget by \$172,000, associated with actual tonnage being lower than projected.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, financials ending March 31, 2024, were unanimously approved.

8. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Town of Gouverneur, SCADA Services Agreement, East/West Side Ross Valve SCADA Integration, Total Agreement Amount of \$10,000, 4/1/24 – 12/21/24, St. Lawrence County
- II. Town of Gouverneur, Technical Services Agreement, Sewer District No. 1 CCTV Inspection, Total Agreement Amount of \$20,500, 4/15/24 – 8/01/24, St. Lawrence County
- III. Town of Louisville, Technical Services Agreement, Water System Improvement Project Amendment # - Construction Phase Services, Total Agreement Amount of \$54,500, 4/1/24 – 9/30/25, St. Lawrence County

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Board Contract Summary Table items numbered I through III for the month of May were unanimously approved.

9. Engineering –

- a. Resolution No. 2024-05-39, amends the technical services agreement by and between the Authority and the Village of Malone, and further authorizes and directs the Executive Director to execute this agreement.

C. Tuttle explained that these requirements are new to the Authority, have never been requested of us before, and we do not believe these requirements

apply to us, given the scope of services we will be performing. However, given the need to complete this project by October 1, we do not have a choice or it will put the Village at risk of violation leaving them unable to utilize the grant funding. She further explained that we are including this amendment to our contract while applying for a full waiver of the requirements and we have not conceded that these requirements apply to us. We will do what we need to move this project forward at the staff level, but we do not wish to create more bureaucracy that would create legacy issues for our customers or ourselves. C. Farone stated that they have agreed to provide us with a full waiver, but we need to have this in our agreement, with the challenge of making sure this does not affect the Authority in the future. J. Granzow stated that this is required due to the federal funding source, and the same thing will apply on future projects that are funded the same way. She further stated the EFC's hands are also tied on a bureaucratic issue that should not exist.

Upon a motion by K. Bibbins and seconded by M. Doheny, Resolution No. 2024-05-39, Technical Services Agreement, Village of Malone, Lead Service Line Inventory Amendment No. 1, was unanimously approved.

- b. Resolution No. 2024-05-40, approves the technical services agreement by and between the Authority and the Village of Malone, and further authorizes and directs the Executive Director to execute this agreement.

Upon a motion by A. MacKinnon and seconded by E. Virkler, Resolution No. 2024-05-40, Technical Assistance Services Agreement, Village of Malone, Wastewater Treatment Plant Improvement Landfill, Leachate Pretreatment, was unanimously approved.

#### 10. Materials Management –

- a. Resolution No. 2024-05-41, authorizes the Executive Director to negotiate and enter into Memorandums of Understanding with Jefferson, Lewis, and St. Lawrence counties to establish PaintCare Drop-Off locations at select county sites and provide Authority staff support as identified above.

C. Tuttle explained that this is a State program, paid for by the State, with no cost to the Authority or the homeowners by dropping unused paint off to the retail location to be recycled or properly disposed of. She further explained that the Authority pays 50% of the cost of the Household Hazardous Waste events. By taking paint to a PaintCare location, the Authority would not need to increase tip fees to cover this expense, which would also save the residents money. Residents may also find it beneficial to utilize these retail locations because they can drop their paint off anytime and do not need to wait for an HHW event.

S. Thornton stated that the agreement with PaintCare is contracted directly with the counties. The Authority is only providing a staff person to support the counties on the scheduled paint drop off days at their transfer sites.

C. Farone stated this is a creative way to meet the need of the paint issue after seeing the amount of paint being collected at our HHW events. He further

expressed appreciation to Shawn (Thornton) and John (Phelps) for this idea and working with the counties to make this happen.

M. Murray asked if this included stain, or is it just paint. C. Tuttle stated that it does include stain, and there is a link on the NorthCountryRecycles.org for PaintCare.org where they list all eligible products for recycling.

Upon a motion by T. Hefferon and seconded by K. Bibbins, Resolution No. 2024-05-41, Materials Management Facility, Jefferson, Lewis, and St. Lawrence County, Memorandums of Understanding Establishing County PaintCare Drop-Off Locations, was unanimously approved.

#### 11. Telecommunications –

- a. Resolution No. 2024-05-42, finds that standardization for purchases of certain classes of information technology and telecommunications equipment for use in the Telecommunications Network, as defined in Schedule A attached to the resolution, as necessary for construction or operational activities and will provide economic and efficiency benefits, and is in the best interests of the Authority. This resolution will take effect immediately.

C. Tuttle explained that the Authority needs to ensure that the standardized fiber for large projects is specifically designed for cold climates where freezing can be an issue. This had not been included in previous standardization resolutions, but because of upcoming larger projects, this needs to be added to our standardization resolution to ensure consistency.

Upon a motion by D. Mastascusa and seconded by K. Bibbins, Resolution No. 2024-05-42, Amendment to Standardizing Upon Certain Equipment for Use in Relation to the Telecommunications Division, was unanimously approved.

- b. Resolution No. 2024-05-43, accepts the additional \$176,000 from the Northern Border Regional Commission for broadband planning and construction in St. Lawrence, Jefferson, Lewis and Franklin Counties, and authorizes the Executive Director to execute any required documents. It is further resolved that the Authority does hereby authorize the Chief Financial Officer to establish a new Telecommunications Division Capital Project, NBRC Broadband Project in the amount of \$245,055.

Upon a motion by M. Doheny and seconded by D. Mastascusa, Resolution No. 2024-05-43, Capital Project, Northern Border Regional Commission Broadband Planning and Construction Grant, was unanimously approved.

#### 12. Water Quality –

- a. Resolution No. 2024-05-44, authorizes and directs the Executive Director to enter into an Amended Water Service Agreement with the Town of Cape Vincent for Water Districts 2, 3 and 8.

Upon a motion by E. Virkler and seconded by D. Mastascusa, Resolution No. 2024-05-44, Water Service Agreement Amendment No. 8, Town of Cape Vincent, Water Districts No. 2, 3, and 8, was unanimously approved.

### 13. Regional Development –

#### a. Loan Report –

C. Farone stated that primarily all borrowers are paying as scheduled. He noted that the Authority Board did authorize the Thompson Park Conservancy for an interest and principal moratorium through June 1. We will be meeting with the Thompson Park Conservancy to review the financial situation and determine next steps. These details would be discussed with the Board at the June meeting.

M. Doheny asked what the payment gap in time would be for the June payment. C. Farone responded that the moratorium goes to June 1 so the payment would be due in the month of June. He further stated that the Watertown Trust is considering a moratorium as well.

B. McGrath asked if there was an expectation that they would not pay on June 1. C. Farone replied that is correct. B. McGrath further asked if the Board should discuss an extension of a moratorium or modification now. C. Farone agreed that this is a foregone conclusion that there will be an interest and principal moratorium request from the Thomson Park Conservancy. M. Capone commented that she had planned to bring it to the June Board meeting, and it will likely be an additional three or six month request. C. Farone continued by stating they currently do not have the capability to pay as we have seen in the newspaper. It is at the Board's discretion if we would like to look at extending the moratorium for another three to six months, or wait until the June Board meeting for review.

M. Doheny commented that C. Farone and M. Capone may want to have financial flexibility in the negotiations with the Thompson Park Conservancy when they meet next. C. Farone stated they would look at their interim financials to see where they are in terms of projections and to keep this going in the right direction. M. Doheny agreed that they are going to need the time as they do not have the money today, and we will see if they have it in six months.

Upon a motion by T. Hefferon and seconded by M. Doheny, an extension of the Thompson Park Conservancy principal and interest moratorium for six months from June 1, 2024 was authorized.

- b. Resolution No. 2024-05-45, accepts the Annual Report with the Authority as the sole member of the Creek Wood Housing Development Fund Company (HDFC), and waives by written consent the Annual Meeting of the HDFC. Furthermore, effective May 23, 2024 the existing directors of the HDFC will continue in office until the next Annual Meeting. These directors are as follows, Thomas H. Hefferon (Chair), Dennis Mastascusa (Vice Chair), Carl E. Farone, Jr. (Treasurer), and Michelle L. Capone (Secretary).

Upon a motion by T. Hefferon and seconded by E. Virkler, Resolution No. 2024-05-45, Annual Report, Creek Wood Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- c. Resolution No. 2024-05-46, accepts the Annual Report with the Authority as the sole member of the Creek Wood II Housing Development Fund Company (HDFC), and waives by written consent the Annual Meeting of the HDFC. Furthermore, effective May 23, 2024 the existing directors of the HDFC will continue in office until the next Annual Meeting. These directors are as follows, Thomas H. Hefferon (Chair), Dennis Mastascusa (Vice Chair), Carl E. Farone, Jr. (Treasurer), and Michelle L. Capone (Secretary).

Upon a motion by D. Mastascusa and seconded by K. Bibbins, Resolution No. 2024-05-46, Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

M. Hall commented that there had been no formal vote on the previously discussed moratorium regarding the Thompson Park Conservancy or a vote to authorize the extension. C. Farone stated this will be reflected within the minutes with no resolution number, that the Board authorized an extension regarding the six-month moratorium. All members indicated they were in favor with zero members opposed. The matter was passed unanimously.

14. Executive Session – for the purpose of discussion regarding the employment history of a particular person or matters leading to the appointment or employment of a particular person.

Upon a motion by K. Bibbins and seconded T. Hefferon, the Board moved into Executive Session at 11:30 AM.

M. Hall left the meeting at 12:30 PM.

Upon a motion by T. Hefferon and seconded A. MacKinnon, the Board moved out of Executive Session at 12:32 PM.

No action was taken.

15. Staff Presentation – Earth Day

S. Thornton, Director of Materials Management, and J. Phelps, Recycling Coordinator, gave a review of what the Authority has been working on from a recycling perspective.

S. Thornton began by giving an overview of the purpose and goals of the focus they have been working on since late last year. This started with a need to understand what data they had and what data they needed regarding waste diversion, and then focus on getting good data that could be relied upon and used to share with the counties. This information could then be used to move forward with data driven solutions through data driven recommendations. They started with a five-year update on the Local Solid Waste Management Plan and then amended the Annual Waste Diversion Report when some of the data didn't tie in with what was anticipated, and last fall they attempted a waste composition study where they learned a great deal. This all allowed us to now have a Waste Composition Study that supports and ties into our Annual Waste Diversion Report which also ties into the data that the counties are reporting to the DEC on an annual basis. This all ties in to what is reported in the Local Solid Waste Management Report and these four data sources all support one another now.

He continued with a review of the results of the 2024 Waste Composition Study and how this provides us with data to establish where we want to focus.

J. Phelps continued with examples that had taken place this spring because of this information. As a goal for Earth Day, they had wanted to collaborate the three county partners and reach out in the community and affect as many people as possible.

In Jefferson County, single use plastics were identified as the largest recyclable material in the Waste Composition Study so focus was placed there. Herbalife Tea, the owner of four independent local retailers, was a focus because they serve their tea product in a 32 ounce single use plastic cup. We worked with them to create flyers and consumer education to promote Earth Day every day and suggest customers bring their own tumbler. This promotion will be continued throughout the year, as well as expand to other shops in the area.

In Lewis County, we partnered with the Adirondack Mountain Club, Black River Chapter in cleaning the litter along Rt 177 from the Materials Management Facility to Barnes Corners. Twenty large contractor bags of waste was collected during this event, and were later collected by the Lewis County Highway Department. Participating in this event laid the foundation for future partnerships with this organization, as well as offering a route for volunteerism for Authority staff. Going forward we will be checking their calendar, and noting events that align with our values and goals. We can then send information out to our staff to solicit for volunteers. This also introduced J. Phelps to Save the River as a partnering source to salvage PVC to be used with fishing-line recycling stations along the St. Lawrence River. DEC currently has a similar program along Lake Ontario tributaries.

St. Lawrence County offered an opportunity for us to participate in a textile recycling "Take It or Leave It" event at Clarkson University. This is a program many colleges statewide are working to replicate at the end of the school year when students are leaving the dorms and leaving unwanted items behind. Two of the issues they had were disposing of leftover textiles and hardcover books. The larger textile collectors do not operate in St. Lawrence County because of the county's remote location. J. Phelps was already in the area for the HHW event in Canton and offered to drive to the campus and assist by recycling 493 pounds of textiles. He has also reached out to St. Pauly Textile Recycling to ask about them going into that area once or twice a year to help with these events at the local colleges, which they have agreed to do. The college also needed a way to recycle their hardcover books. J. Phelps was able to put the college in contact with the North Country Library System (NCLS), who are already in the area for the libraries, to request book recycling pick-ups as needed or by request, and the NCLS have agreed to help.

Hardcover book recycling through the NCLS has been an extremely successful program. In 2022, they were able to recycle 16 tons of hardcover books, in 2023, this increased to 91 tons, and this year we are already two tons ahead of schedule. Transfer sites in Croghan, Massena, Ogdensburg and Gouverneur have recently been added to their pick up routes this year, showing that the program continues to grow. J. Phelps has also kept in contact with the library system to offer assistance with transporting bins while on his routes as well.

Compost Awareness Week, the first full week of May, offered plenty of compost friendly events. J. Phelps worked with Cornell Cooperative Extension of Jefferson County and met their new horticulture and education lead, Sarah Williams, for an opportunity to discuss how we can collaborate on future projects. On May 22 we participated in their composting event and helped by advertising through NYSAR and through DEC. Sarah hosted the event and created the flyers, while J. Phelps solicited 17 registrations and the event was a great success.

S. Thornton concluded in discussing HHW, waste diversion and paint collection. In 2023, 97,000 pounds of HHW was collected, and roughly 75% of this was paint. This prompted the partnership with the counties and PaintCare to help offset this large volume accepted at the HHW events by establishing drop off locations at the transfer stations. The counties are in the process of signing their agreements with PaintCare and should be holding their first collections this summer, and then continuing with collections on the first Thursday of each month.

When we are able to give the counties innovative ideas resulting in solutions based upon data and facts, and we are able to continue to track and show where we are affecting the amount of waste in the waste stream, it closes the loop and gives us some great success stories. We recognize and continue to promote that while we are doing many great things in the North Country, we have some unique challenges due to our remote location, so we need to be innovative with our solutions and figure out what works best for us.

M. Doheny asked if they were in touch with the state parks regarding the large quantities of fishing line that can be found piled up there. S. Thornton stated they have been talking with DEC, but not the state parks.

A. MacKinnon commented that he noticed Geiter Done is done without ever having opened for tire recycling. C. Farone stated that they are in fact done and have sold the property. M. Doheny asked if they sold the property or the business. C. Farone stated that they are no longer doing that business, have sold the property, and he is not certain of what the current owner will be doing but has heard they will be creating 10+ jobs. We do know they will not be meeting our goal for having local tire recycling.

16. Next Board Meeting Date – June 27, 2024

17. Adjourn -

- a. Upon a motion by A. MacKinnon and seconded by E. Virkler, the meeting was adjourned at 12:51 PM.

Respectfully submitted,

  
Dennis Mastascusa  
Board Secretary

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

**FISCAL YEAR END MARCH 31, 2024**

***CEDAR SUMMIT FINANCIAL ADVISORS***

**CYRIL MOUAIKEL, MBA**

*MANAGING DIRECTOR  
BRANCH DIRECTOR  
SENIOR PORTFOLIO MANAGER  
CYRIL.MOUAIKEL@RBC.COM*

**DONALD MUSNICKI, AIF® AWM**

*FIRST VICE PRESIDENT  
FINANCIAL ADVISOR  
SENIOR PORTFOLIO MANAGER  
DONALD.MUSNICKI@RBC.COM*

**JOHN NUBER, CFA**

*ASSOCIATE VICE PRESIDENT  
FINANCIAL ADVISOR  
JOHN.NUBER@RBC.COM*



**Wealth  
Management**

**Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.**

## Development Authority of the North Country

April 1, 2023 - March 31, 2024

Fiscal year end - March 31, 2024

### Portfolio Review

We have compiled the performance numbers for the fiscal year end March 31, 2024.

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. Since Comerica changed their statements we have lost confidence in the data they provide. The convention of valuing security transfer at par values or other values higher than market create distortions in portfolio performance calculation.**

The shorter-term bonds performed better in the 4th quarter. In an effort to match CD maturities with DANC's cash needs, 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 lowermark-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 \$1,875,836.77 or 2.07%. The Bank of NY Capital Improvement account generated net income of \$34,292.06 or 5.14% for the year. The total portfolio net income generated for the year was \$1,910,128.83 or 2.09%. 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 \$1,541,178.04 or 1.70% and for the Bank of NY Capital Improvement account was \$.00 or 0.00%. The portfolio total adjustment was \$1,541,178.04 or 1.69%. The total return after the market value adjustment for the Comerica accounts was \$3,417,014.81 or 3.76% and the total return for the Bank of NY Capital Improvement account was \$34,292.06 or 5.14%. The total portfolio return after market value adjustment for the year was \$3,451,306.87 or 3.77%.

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	4.96%	Community Rental	2.03%
General Operating	5.36%	Affordable Rental	3.34%
Water / Sewer	4.42%	Revolving Loan	1.30%
Closure Post Closure	3.86%	Wetlands Mitigation	4.91%
Economics Fund	2.08%	Liner	3.89%
Open Access	4.78%	<b><u>Bank of NY Account:</u></b>	
OPEB	4.74%	Capital Improvement	5.14%
TIP Fee	5.10%		
NCEDF	4.93%		

For the same period the following benchmarks performed as follows:

3 month T Bill	5.24%
Barclays US Aggregate Government - Treasury	0.05%
Barclays US Government/Credit	1.74%

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, 2023 - March 31, 2024

Fiscal year end - March 31, 2024

<b>March 2023 - Statement on Market Value</b>	<b>\$</b>	<b>90,755,303.27</b>		
April 2023 - Income	\$	124,206.79		
May 2023 - Income	\$	117,022.33		
June 2023 - Income	\$	142,542.59		
-changes this period	\$	(603.33)		
July 2023 - Income	\$	122,177.80		
August 2023 - Income	\$	148,017.16		
-changes this period	\$	(653.22)		
September 2023 - Income	\$	136,742.15		
October 2023 - Income	\$	149,956.39		
November 2023 - Income	\$	119,482.49		
December 2023 - Income	\$	151,200.65		
-changes this period	\$	(63.19)		
January 2024 - Income	\$	200,040.43		
February 2024 - Income	\$	196,922.40		
-changes this period	\$	(1,917.53)		
March 2024 - Income	\$	156,332.16		
-changes this period	\$	(4,363.01)		
<b>Total Income April 2023 - March 2024</b>	<b>\$</b>	<b>1,757,043.06</b>		
March 31, 2023 - Accrued Income	\$	(222,100.07)		
March 31, 2024 - Accrued Income	\$	340,893.78		
<b>Change in Accrued Income</b>	<b>\$</b>	<b>118,793.71</b>		
<b>Total Net Income for the Full Year</b>	<b>\$</b>	<b>1,875,836.77</b>	(or)	2.07% Total Net Income
<b>Market Value Adjustment for the Full Year</b>	<b>\$</b>	<b>1,541,178.04</b>	(or)	1.70% of Portfolio's Value
<b>Total Return for the Full Year</b>	<b>\$</b>	<b>3,417,014.81</b>	(or)	3.76% Total Return
<b>Transfer of assets and cash in</b>	<b>\$</b>	<b>232,885.86</b>		
<b>Transfer of assets and cash out</b>	<b>\$</b>	<b>-</b>		
<b>March 31, 2024 - Statement on Market Value</b>	<b>\$</b>	<b>94,405,203.94</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

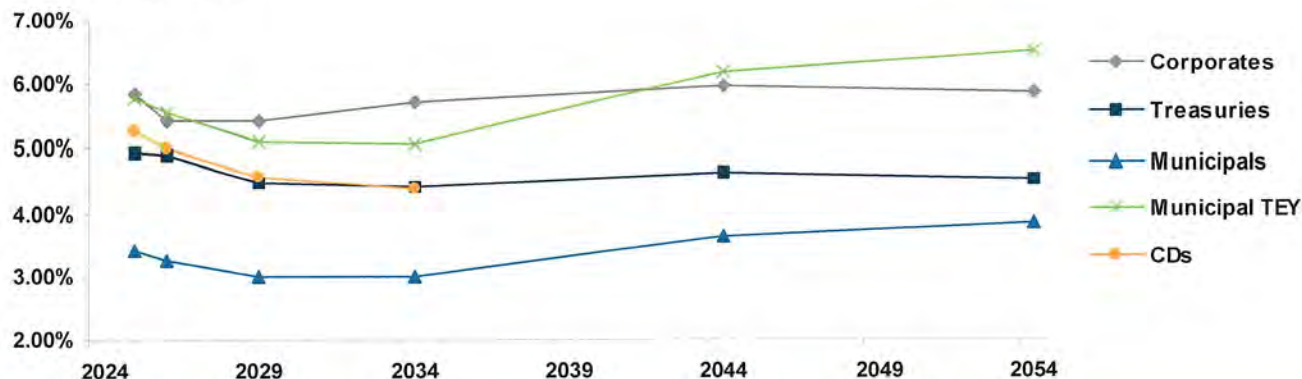


Portfolio Advisory Group – U.S. Fixed Income Strategies

## Indicated yields for selected securities

Tuesday, June 10, 2024

All indications are for round lots



	BBB+ Rated		AAA Municipals		CDs		Mortgage Backed	Treasury Zeros	
	Treasuries	Agencies (non-call)	Industrial Corporates	G.O.	TEY*	Coupon		APY**	Maturity
3 month	5.37%					5.35%	5.35%		
6 month	5.37%					5.35%	5.35%		
1 year	5.18%	5.19%	5.76%	3.20%	5.41%	5.30%	5.30%	6/15/25	5.19%
2 year	4.87%	5.09%	5.49%	3.16%	5.34%	5.05%		6/15/26	4.90%
5 year	4.47%	4.51%	5.37%	2.97%	5.02%	4.60%		6/15/29	4.53%
10 year	4.46%	4.53%	5.67%	2.92%	4.93%	4.40%		6/15/34	4.56%
15 year	-	4.67%	5.81%	3.16%	5.34%		5.15%	6/15/39	4.75%
20 year	4.68%		5.90%	3.51%	5.93%			6/15/44	4.87%
30 year	4.59%		5.85%	3.79%	6.40%		5.45%	6/15/54	4.45%

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.

\*Tax-equivalent yield (TEY) is based on Federal tax exemption for taxpayers in the 37.0% bracket, plus the 3.8% Medicare surtax.

<p><b>Cyril Mouaikel</b>  <b>Managing Director – Branch Director</b>  <b>Senior Portfolio Manager – Portfolio Manager</b>  <b>19485 US Route 11, Watertown, NY 13601-6678</b>  <b>315-788-4200</b></p>	<p>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. <b>Call your RBC Wealth Management Financial Advisor for current market rates.</b> 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.</p>
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## RBC Wealth Management U.S. Fixed Income Strategies

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

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Period Ending March 31, 2024

Annualized total returns

Calendar period total returns

Cumulative total returns

In percentages, based on U.S. dollars	Last month	Trailing 3 mo.	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2023	2022	2021	2020	2019	2018	2017	3 Yr	5 Yr	7 Yr	10 Yr
<b>Balanced</b>																			
20% MSCI World (Net)   80% Bloomberg Barclays US Aggregate1	1.38	1.12	1.12	6.10	-0.20	2.82	3.18	3.23	9.04	-13.87	2.85	9.68	12.45	-1.63	7.09	-0.61	14.90	24.50	37.41
40% MSCI World (Net)   60% Bloomberg Barclays US Aggregate1	1.84	3.03	3.03	10.64	2.03	5.22	5.25	4.86	12.61	-14.82	7.37	11.62	16.21	-3.33	10.75	6.21	28.97	43.06	60.72
50% MSCI World (Net)   50% Bloomberg Barclays US Aggregate1	2.07	3.99	3.99	12.97	3.14	6.40	6.26	5.65	14.43	-15.33	9.69	12.49	18.11	-4.19	12.62	9.72	36.38	52.99	73.31
60% MSCI World (Net)   40% Bloomberg Barclays US Aggregate1	2.30	4.96	4.96	15.32	4.24	7.57	7.26	6.43	16.27	-15.85	12.94	13.31	20.01	-5.07	14.52	13.28	44.02	63.34	86.53
80% MSCI World (Net)   20% Bloomberg Barclays US Aggregate1	2.76	6.91	6.91	20.14	6.44	9.86	9.21	7.95	19.99	-16.96	16.86	14.74	23.83	-6.87	18.40	20.58	60.00	85.31	114.80
<b>Domestic fixed income</b>																			
Bloomberg Barclays US Universal	0.98	-0.47	-0.47	2.67	-2.11	0.69	1.34	1.83	6.17	-12.99	-1.10	7.58	9.29	-0.25	4.09	-6.20	3.47	9.80	19.93
Bloomberg Barclays US Aggregate	0.92	-0.78	-0.78	1.70	-2.46	0.36	1.06	1.54	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	-7.19	1.82	7.66	16.57
Bloomberg Barclays US Intermediate Aggregate	0.78	-0.42	-0.42	2.30	-1.66	0.60	1.11	1.45	5.18	-9.51	-1.29	5.60	6.67	0.92	2.27	-4.91	3.04	8.05	15.50
<b>Bloomberg Barclays US Aggregate Government - Treasury</b>	0.64	-0.96	-0.96	0.95	-2.73	-0.08	0.59	1.03	4.05	-12.46	-2.32	8.00	6.86	0.86	2.31	-7.97	-0.41	4.24	10.84
Bloomberg Barclays US Aggregate Government	0.64	-0.93	-0.93	0.13	-2.68	-0.04	0.62	1.05	4.09	-12.32	-2.28	7.94	6.83	0.88	2.30	-7.83	-0.21	4.44	10.98
Bloomberg Barclays US Government/Credit	0.88	-0.72	-0.72	1.74	-2.35	0.62	1.27	1.70	5.72	-13.58	-1.75	8.93	9.71	-0.42	4.00	-6.89	3.14	9.25	18.32
Bloomberg Barclays US Intermediate Government/Credit	0.64	-0.15	-0.15	2.69	-1.06	1.09	1.43	1.61	5.24	-8.23	-1.44	6.43	6.80	0.88	2.14	-3.16	5.59	10.45	17.26
Bloomberg Barclays US Aggregate Credit - Corporate - High Yield	1.18	1.47	1.47	11.15	2.19	4.21	4.39	4.44	13.44	-11.19	5.28	7.11	14.32	-2.08	7.50	6.73	22.88	35.09	54.45
Bloomberg Barclays US Aggregate Credit	1.23	-0.41	-0.41	4.15	-1.86	1.39	2.06	2.49	8.18	-15.26	-1.08	9.35	13.80	-2.11	6.18	-5.48	7.16	15.32	27.92
Bloomberg Barclays US Aggregate Credit - Corp. - Investment Grade	1.29	-0.40	-0.40	4.43	-1.87	1.52	2.17	2.61	8.52	-15.76	-1.04	9.89	14.54	-2.51	6.42	-5.51	7.86	16.23	29.44
Bloomberg Barclays Municipal Bond	0.00	-0.39	-0.39	3.13	-0.41	1.59	2.28	2.66	6.40	-8.53	1.52	5.21	7.54	1.28	5.45	-1.23	8.22	17.08	30.00
Bloomberg Barclays Municipal Bond 3 Year	-0.17	-0.28	-0.28	1.80	-0.02	1.06	1.24	1.21	3.46	-3.39	0.40	2.97	3.67	1.76	1.56	-0.07	5.43	9.03	12.79
Bloomberg Barclays Municipal Bond 7 Year	-0.11	-0.48	-0.48	2.14	-0.29	1.50	2.05	2.30	4.99	-5.97	0.36	5.11	6.74	1.66	4.49	-0.86	7.73	15.27	25.56
Bloomberg Barclays Municipal Bond 10 year	-0.09	-0.54	-0.54	2.39	-0.07	1.82	2.52	2.84	5.78	-6.57	0.96	5.62	7.70	1.41	5.83	-0.20	9.44	19.04	32.37
Bloomberg Barclays Municipal Bond 20 Year (17-22 Y)	0.01	-0.31	-0.31	4.09	-0.56	1.91	2.85	3.37	7.78	-11.02	2.53	6.19	9.29	1.08	7.47	-1.68	9.91	21.76	39.28
<b>BoFA Merrill Lynch US Treasury Bill (3 M)</b>	0.45	1.29	1.29	5.24	2.58	2.02	1.90	1.38	5.01	1.46	0.05	0.67	2.28	1.87	0.86	7.95	10.51	14.11	14.69
Citigroup US Inflation-Linked Securities	0.63	-0.17	-0.17	0.34	-0.53	2.58	2.38	2.33	4.13	-12.10	5.86	11.59	8.74	-1.49	3.34	-1.59	13.59	17.90	25.90
BoFA ML U.S. Convertible - All Convertibles/All Qualities	2.32	2.34	2.34	11.34	-0.98	10.28	9.97	8.69	12.87	-18.71	6.34	46.22	23.15	0.15	13.70	-2.92	63.09	94.46	130.12
BoFA ML Fixed Rate Preferred Securities	0.87	4.52	4.52	11.46	0.54	3.09	3.51	4.68	10.21	-14.60	2.24	6.95	17.71	-4.34	10.58	1.62	16.46	27.29	58.00
S&P/STA U.S. Leveraged Loan 100	0.54	1.99	1.99	12.16	5.53	5.14	4.67	4.11	13.20	-0.68	3.54	2.84	10.85	-0.62	3.31	17.51	28.50	37.62	49.53
<b>Global and International fixed income</b>																			
Bloomberg Barclays Global Aggregate	0.55	-2.08	-2.08	0.49	-4.73	-1.17	0.07	-0.07	5.72	-16.25	-4.71	9.20	6.84	-1.20	7.39	-13.53	-5.70	0.50	-0.69
Bloomberg Barclays Global Aggregate x US	0.24	-3.21	-3.21	-0.71	-6.53	-2.49	-0.82	-1.38	5.72	-18.70	-7.05	10.11	5.09	-2.15	10.51	-18.35	-11.86	-5.58	-12.98
Bloomberg Barclays Global High Yield	1.51	2.13	2.13	12.91	1.20	3.07	3.48	3.53	14.04	-12.71	0.99	7.03	12.56	-4.06	10.43	3.66	16.33	27.01	41.49
BoFA Merrill Lynch Global Broad Market x US	0.38	-3.95	-3.95	-1.42	-8.11	-3.63	-1.63	-1.96	5.72	-21.12	-8.94	10.33	4.86	-2.20	10.37	-22.42	-16.88	-10.90	-17.97
Citigroup WGBI	0.43	-2.42	-2.42	-0.84	-6.12	-2.21	-0.65	-0.82	5.18	-18.26	-6.97	10.11	5.90	-0.84	7.49	-17.26	-10.56	-4.49	-7.98
Citigroup Non-USD WGBI	0.33	-3.42	-3.42	-1.46	-8.39	-3.73	-1.63	-1.91	5.83	-22.07	-9.68	10.78	5.32	-1.82	10.33	-23.12	-17.32	-10.88	-17.55
<b>Alternatives</b>																			
CPI for all Urban Consumers (CPIU) <sup>3</sup> **one month lag	0.44	0.75	0.75	3.17	5.68	4.19	3.53	2.82	3.32	6.41	7.18	1.30	2.32	2.00	2.13	18.01	22.79	27.48	32.06
Bloomberg Commodity Index	3.31	2.19	2.19	-0.56	9.11	6.38	4.26	-1.56	-7.91	16.09	27.11	-3.12	7.69	-11.25	1.70	29.88	36.26	33.89	-14.58
S&P GSCI	4.73	10.36	10.36	11.14	18.05	7.83	7.03	-2.93	-4.27	25.99	40.35	-23.72	17.63	-13.82	5.77	64.53	45.80	60.92	-25.71
FTSE NAREIT Equity REITs	2.06	-0.20	-0.20	10.54	4.14	4.15	5.08	6.61	13.73	-24.37	43.24	-8.00	26.00	-4.62	5.23	12.95	22.53	41.42	89.57
FTSE NAREIT All REITs	1.92	-1.28	-1.28	8.44	2.05	3.56	5.08	6.67	11.48	-25.10	39.88	-5.86	28.07	-4.10	9.27	6.29	19.12	41.47	90.88
HFBR Global Hedge Fund	1.26	2.51	2.51	5.70	1.12	3.44	2.41	1.55	3.10	-4.41	3.65	6.81	8.62	-6.72	5.99	3.39	18.43	18.17	16.87
HFBR Equity Hedge	1.35	3.40	3.40	9.66	5.34	5.57	4.36	3.09	6.90	-3.18	12.14	4.60	10.71	-9.42	9.98	16.90	31.16	34.81	35.57
HFBR Event Driven	1.06	1.28	1.28	2.02	-2.31	2.41	0.52	0.30	0.48	-7.27	0.48	8.89	9.96	-11.68	6.48	-6.76	12.66	3.72	3.02
HFBR Absolute Return	0.66	1.84	1.84	5.05	2.36	2.85	2.43	2.03	2.95	0.85	2.10	2.72	4.37	-0.49	3.39	7.26	15.09	18.29	22.21
HFBR Macro/CTA	2.50	5.86	5.86	6.96	2.20	3.43	2.30	1.65	-1.49	3.75	-0.83	4.29	4.84	-3.25	2.51	6.74	18.35	17.25	17.77



Development Authority of the North Country  
 Board Summary  
 March 31, 2024



- Financial Statements and Auditors’ Reports were reviewed with the Audit Committee.
- Unmodified (i.e. unqualified or “clean”) opinions expected to be issued on the Authority’s financial statements, on the Authority’s compliance with the program requirements of its major federal award program (single audit), and on the Authority’s compliance with Section 2935(f) of the New York State Public Authorities Law.
- No material weaknesses or significant deficiencies were noted in the Authority’s internal controls over financial reporting.
- There were no instances of noncompliance noted in regards to the Authority’s major federal award program.
- There were no findings noted on the Regional Waterline Capital and Operating Reserve Funding Analysis agreed-upon procedures.
- Management was a pleasure to work with. They provided everything we asked for in a timely manner.
- Revenue increased \$2.4 million due to increased interest received on investments. Expenses increased \$2.1 million mainly due to an increase in actuarial assumptions related to the Authority’s pension plan.
- Net position decreased \$2.8 million to \$157.0 million at March 31, 2024.

	2024	2023	Change
Net investment in capital assets	\$54,557,987	57,697,867	(3,139,880)
Restricted	81,746,378	80,067,819	1,678,559
Unrestricted	<u>20,672,345</u>	<u>21,977,837</u>	<u>(1,305,492)</u>
Total net position	<u>\$156,976,710</u>	<u>159,743,523</u>	<u>(2,766,813)</u>

**DEVELOPMENT AUTHORITY  
OF THE NORTH COUNTRY**

**Basic Financial Statements,  
Supplementary Information and  
Independent Auditor's Report**

**March 31, 2024 and 2023**

DRAFT

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
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), as of and for the year ended March 31, 2024, and the related notes to 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 financial position of the Authority, as of March 31, 2024, and the 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 (GAAS) 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 Auditors' 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.

#### Prior Period Financial Statements

The financial statements as of March 31, 2023 were audited by other auditors whose report dated June 22, 2023, expressed an unmodified opinion on those statements.

#### Emphasis of Matter

As discussed in notes 1(w) and 15 to the financial statements, the Authority adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 96 - "Subscription-Based Information Technology Arrangements," during the year ended March 31, 2024.

## 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.

## Auditors' 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 auditors' 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 GAAS and Government Auditing Standards will always detect a material misstatement when it exists. 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 49 through 51 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 other supplementary information 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 relates 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 GAAS. In our opinion, the other supplementary information 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 , 2024, 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 Authority's internal control over financial reporting and compliance.

Williamsville, New York  
, 2024

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis  
March 31, 2024 and 2023

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

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.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Management's Discussion and Analysis, Continued

The financial statements of the Authority include the Statements of Net Position, the Statements of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows, and related notes to the financial statements. The Statements 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 Statements of Revenue, Expenses and Changes 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 revenue 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 Statements 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 management's discussion and analysis of the Authority's financial position and activities. This overview is provided for the years ended March 31, 2024 and 2023 with comparative information for the 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, 2024 and 2023, the assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows by \$156,976,710 and \$159,743,523, respectively. Of these amounts, \$2,941,260 and \$2,330,763, respectively, is unrestricted and undesignated and may be used to meet the Authority's ongoing obligations.
- The Authority's total revenue (operating and nonoperating) was \$31,991,667 and \$29,619,602 in 2024 and 2023, respectively.
- The Authority's total expenses (operating and nonoperating) were \$34,758,480 and \$32,659,764 in 2024 and 2023, respectively.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of three parts, management's discussion and analysis (this section) the basic financial statements and supplementary information. The Statements of Net Position and the Statements of Revenue, Expenses and Changes in Net Position, and footnotes provide both long-term and short-term information about the Authority's overall financial status.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, Continued

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.

FINANCIAL ANALYSIS

A summary of the Authority's operations and changes in net position is shown below:

	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>
Operating revenue	\$ 27,472,984	(968,840)	28,441,824	1,331,254	27,110,570
Operating expenses	<u>(32,612,793)</u>	<u>(1,408,441)</u>	<u>(31,204,352)</u>	<u>(2,880,626)</u>	<u>(28,323,726)</u>
Operating loss	(5,139,809)	(2,377,281)	(2,762,528)	(1,549,372)	(1,213,156)
Nonoperating revenue (expense), net	<u>2,372,996</u>	<u>2,650,630</u>	<u>(277,634)</u>	<u>1,309,792</u>	<u>(1,587,426)</u>
Change in net position	<u>\$ (2,766,813)</u>	<u>273,349</u>	<u>(3,040,162)</u>	<u>(239,580)</u>	<u>(2,800,582)</u>

In 2024, operating revenue decreased \$968,840 or 3.4%. The main decrease was related to customer billings, mostly at Materials Management Facility, where revenue decreased \$771,346. This was due to a decrease in the number of tons received.

In 2023, operating revenue increased \$1,331,254 or 4.9%. The main increase was at the Materials Management Facility where revenue increased \$1,571,281 or 16.9%. This was due to a combination of 29,580 additional tons received in 2023 versus 2022 and an increase in tip fees in order to fund facility reserves for future cell builds, cell closures and to replace equipment.

In 2024, operating expenses increased \$1,408,441 or 4.5%. The increase was related to payroll taxes and fringe benefits where expenses increased \$1,474,824. The pension expense increased \$1,383,858, of which \$746,238 is associated with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 68. The pension is maintained by New York State and is actuarially determined. Most pension related costs can not be controlled by the Authority.

In 2023, operating expenses increased \$2,880,626 or 10.2% due to: depreciation and amortization increased \$1,328,611, with the majority due to the depreciation for Materials Management cells 12 & 13 which began at the end of 2022 and will be fully depreciated by 2027; closure and post-closure costs increased \$478,625 which was due to the increase in tons, the increase to tip fee reserve per ton and increase in interest received on closure/post-closure investments; and operating and maintenance increased by approximately \$422,000 due to overall increased costs associated with inflation, additional fuel needed to operate two landfills, and an increase in offnet circuit leases associated with telecommunications.

The increase in 2024 in net nonoperating revenue, net of \$2,650,630 is primarily due to an increase in investment income due to better interest rates and a reduction in market adjustments.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Management's Discussion and Analysis, Continued

The increase in 2023 in net nonoperating revenue, net of \$1,309,792 is primarily due to an increase in investment income due to better interest rates and a reduction in market adjustments.

A summary of the Authority's statements of net position is shown below:

	<u>2024</u>	<u>Change</u>	<u>2023*</u>	<u>Change</u>	<u>2022*</u>
<b>Assets:</b>					
Current assets	\$ 10,734,306	(2,095,455)	12,829,761	2,718,978	10,110,783
Loans receivable, net of allowance for doubtful accounts	32,746,123	1,746,676	30,999,447	972,150	30,027,297
Investments	15,049,526	(849,075)	15,898,601	(1,066,529)	16,965,130
Funds held by trustee	885,208	47,365	837,843	37,906	799,937
OPEB reserve fund	5,854,814	102,903	5,751,911	124,478	5,627,433
Restricted assets	86,459,644	2,141,909	84,317,735	1,592,897	82,724,838
Net pension asset	-	(1,725,909)	1,725,909	1,725,909	-
Capital assets, net	89,180,345	12,022,725	77,157,620	(4,031,754)	81,189,374
Total assets	<u>240,909,966</u>	<u>11,391,139</u>	<u>229,518,827</u>	<u>2,074,035</u>	<u>227,444,792</u>
Deferred outflows of resources	<u>3,692,448</u>	<u>(375,533)</u>	<u>4,067,981</u>	<u>(869,304)</u>	<u>4,937,285</u>
<b>Liabilities:</b>					
Current liabilities	19,661,580	14,214,568	5,447,012	1,278,312	4,168,700
Noncurrent liabilities	<u>65,659,219</u>	<u>5,297,204</u>	<u>60,362,015</u>	<u>1,481,295</u>	<u>58,880,720</u>
Total liabilities	<u>85,320,799</u>	<u>19,511,772</u>	<u>65,809,027</u>	<u>2,759,607</u>	<u>63,049,420</u>
Deferred inflows of resources	<u>2,304,905</u>	<u>(5,729,353)</u>	<u>8,034,258</u>	<u>1,485,286</u>	<u>6,548,972</u>
<b>Net position:</b>					
Net investment in capital assets	54,557,987	(3,139,880)	57,697,867	(3,250,818)	60,948,685
Restricted	81,746,378	1,678,559	80,067,819	740,286	79,327,533
Unrestricted	<u>20,672,345</u>	<u>(1,305,492)</u>	<u>21,977,837</u>	<u>(529,630)</u>	<u>22,507,467</u>
Total net position	<u>\$ 156,976,710</u>	<u>(2,766,813)</u>	<u>159,743,523</u>	<u>(3,040,162)</u>	<u>162,783,685</u>

\*Restated for the implementation of GASB 96.

Summary of 2024 Changes

Current assets decreased \$2,095,455 due to cash and equivalents and accounts receivable decreasing due to timing.

Loans receivable, net increased \$1,746,676 due to additional loans that were closed on in 2024.

Restricted assets increased \$2,141,909 mainly due to the increase in interest rates and the rate of return on investments.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, Continued

Each year the Authority complies with GASB Statement No. 68 requirements. 2024 reflected a net liability and in 2023 reflected a net asset.

Capital assets increased \$12,022,725 due to additions exceeding disposals and depreciation/amortization expense. In fiscal year ended 2023 the Authority started a \$13 million project to replace a portion of the Army Water Line. In fiscal year ended 2024 the Authority commenced an \$11 million project to rehabilitate a portion of the Army Sewer Line.

Current liabilities increased \$14,214,568 primarily as a result of short-term financing from Community Bank and New York State Environmental Facilities Corporation associated with the Army Water Line and the Army Sewer Line projects.

Noncurrent liabilities increased \$5,297,204 mainly from the net pension liability discussed above.

Summary of 2023 Changes

Current assets increased \$2,718,978 or 26.9% due to cash and cash equivalents increasing by \$1,261,509 due to timing and Telecommunications accounts receivable increasing by \$1,294,910 due to pending USAC payments and a pending customer business being sold.

Loans receivable, net increased \$972,150 or 3.2% due to additional loans that were closed on in 2023.

Investments decreased \$1,066,529 or 6.3% due to a transfer of \$1 million for planned capital project spending at the Materials Management Facility.

Restricted assets increased \$1,592,897 or 1.9% due to the increase to Materials Management reserves and the sale of the recycling transfer station in Harrisville, NY.

Net pension asset increased \$1,725,909 or 100%. Each year the Authority complies with GASB Statement No. 68 requirements. 2022 reflected a net liability and in 2023 reflected a net asset.

Capital assets decreased \$4,031,754 or 5.0% due to disposal of assets associated with the sale of the recycling transfer station in Harrisville and from the depreciation for cells 12 & 13 in the southern expansion, which began at the end of 2022 and will be fully depreciated by 2027.

Current liabilities increased \$1,278,312 or 30.6% primarily as a result of an increase in accounts payable of \$1,116,027, which is due to the timing of large capital project payments and the current year USAC service provider payables due.

Noncurrent liabilities increased \$1,481,295 or 2.5% due to increase in deferred revenue of \$1,880,457 mainly from the addition of five large Telecommunications contracts for 2023.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, 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 position also include funds available to pay for ongoing and future construction of replacements and/or additions to this infrastructure.

At March 31, 2024 and 2023, the Board of Directors designated the Authority's unrestricted net position for the following uses:

	<u>2024</u>	<u>2023</u>
Administrative reserve/supplemental insurance	\$ 4,000,000	4,000,000
Infrastructure development	223,107	223,107
Capital reserves	691,331	867,621
Materials management - tip fee stabilization and landfill gas reserves	4,463,685	6,241,367
Economic development fund	5,352,962	5,314,979
Affordable housing	<u>3,000,000</u>	<u>3,000,000</u>
	<u>\$ 17,731,085</u>	<u>19,647,074</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.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, Continued

A summary of the Authority's operating revenue is shown below:

	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>
Customer billings:					
Materials management facility	\$ 10,103,674	(771,346)	10,875,020	1,571,281	9,303,739
Water quality operations	6,958,029	(443,342)	7,401,371	984,678	6,416,693
Telecommunications	6,569,418	309,255	6,260,163	89,442	6,170,721
Housing and economic development	219,997	(57,250)	277,247	162,173	115,074
Engineering	547,266	29,700	517,566	(568,846)	1,086,412
Total customer billings	<u>24,398,384</u>	<u>(932,983)</u>	<u>25,331,367</u>	<u>2,238,728</u>	<u>23,092,639</u>
Grant revenue	1,854,316	172,978	1,681,338	(799,425)	2,480,763
Loan interest income	458,660	12,859	445,801	(71,052)	516,853
Landfill gas to energy revenue	420,296	(152,255)	572,551	25,719	546,832
Miscellaneous	341,328	(69,439)	410,767	(62,716)	473,483
Total operating revenue	<u>\$ 27,472,984</u>	<u>(968,840)</u>	<u>28,441,824</u>	<u>1,331,254</u>	<u>27,110,570</u>

Summary of 2024 Changes

Materials Management Facility revenue decreased \$771,346 due to a decrease in the number of tons received.

Water Quality operations revenue decreased \$443,342 mainly due to less water and sewer usage.

Summary of 2023 Changes

Materials Management Facility revenue increased \$1,571,281 or 16.9% due to a combination of an additional 29,580 in tons received in 2023 and from an increase in tip fees that began in January 2022 in order to fund facility reserves for future cell builds, to replace equipment, and for cell closures.

Water Quality operations revenue increased \$984,678 or 15.3% due to a dry summer and an added municipal water line that needed initial filling. The increase is also from the transfer of engineering contracts to water quality for management services.

Engineering operations revenue decreased \$568,846 or 52.4% due to the transfer of management services contracts to water quality operations and the focus of large internal capital projects.

Housing and economic development revenue increased \$162,173 or 140.9% due to additional contracts, especially in housing.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, Continued

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: Administration, Materials Management Facility, Water Quality Operations, Telecommunications Network, Housing and Economic Development and Engineering.

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

	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>
Functional expenses:					
Administration	\$ 376,424	144,099	232,325	37,555	194,770
Materials management facility	13,909,358	291,476	13,617,882	1,748,530	11,869,352
Water quality operations	7,797,748	887,365	6,910,383	944,397	5,965,986
Telecommunications	9,078,322	442,086	8,636,236	822,745	7,813,491
Housing and economic development	920,380	(382,356)	1,302,736	(96,977)	1,399,713
Engineering	530,561	25,771	504,790	(581,793)	1,086,583
Total functional expenses	<u>\$ 32,612,793</u>	<u>1,408,441</u>	<u>31,204,352</u>	<u>2,874,457</u>	<u>28,329,895</u>

Summary of 2024 Changes

Water quality operations expenses increased \$887,365 as a result of an increase in pension expense of \$394,004 (\$212,135 associated with the GASB 68 adjustment) and salary and fringe benefits.

Telecommunications expenses increased \$442,086 as a result of an increase in pension expense of \$293,873 (\$159,057 associated with the GASB 68 adjustment) and offnet circuit lease of \$161,518.

Summary of 2023 Changes

Materials Management Facility expenses increased \$1,748,530 or 14.7% due to an increase in fuel costs of \$174,034 mainly from operating in two landfills at the Materials Management Facility at the same time, an increase of \$478 thousand for required reserve funding for closure/post-closure care, and an increase in depreciation expense of \$940 thousand, mainly from cells 12 & 13, which began at the end of 2022 and will end in 2027.

Water Quality operations expenses increased \$944,397 or 15.8% as a result of an increase in water purchases of \$212,906 from increased water use and an increase in salaries of \$541,039, mainly from the move of Engineering employees in 2023 to water quality for management services contracts.

Telecommunications network expenses increased \$822,745 or 10.5% because of an increase in depreciation expense of approximately \$299,000, equipment maintenance contracts of \$79,252, offset by circuit leases for \$119,967, and overall increase in operation expense due to inflation.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, Continued

Engineering expenses decreased \$581,793 or 53.5% due to the move of management services contracts to water quality operations.

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

	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>
Operating expenses:					
Salaries and fringe benefits	\$ 10,784,552	1,810,256	8,974,296	222,013	8,752,283
Operating and maintenance	3,819,002	97,616	3,721,386	489,984	3,231,402
Wastewater treatment	1,779,449	111,240	1,668,209	(38,071)	1,706,280
Water purchases	738,869	(134,780)	873,649	212,906	660,743
Community benefits	1,040,863	(128,996)	1,169,859	202,782	967,077
Closure and post-closure costs	1,266,768	(10,204)	1,276,972	478,625	798,347
General and administration	2,735,422	(395,960)	3,131,382	(186,025)	3,317,407
Depreciation and amortization	10,447,868	59,269	10,388,599	1,492,243	8,896,356
Total operating expenses	<u>\$ 32,612,793</u>	<u>1,408,441</u>	<u>31,204,352</u>	<u>2,874,457</u>	<u>28,329,895</u>

Summary of 2024 Changes

Salaries and fringe benefits increased \$1,810,256 mainly due to the GASB 68 pension expense adjustment and annual wage increases.

Summary of 2023 Changes

Salaries and wages expense increased \$222,013 or 2.5% due to annual wage increases.

Operating and maintenance expense increased by \$489,984 or 15.2% mainly due to inflation and additional telecommunications expenses associated with offnet circuit leases.

NONOPERATING REVENUE (EXPENSE)

The Authority's nonoperating revenue (expense) is composed of the following:

	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>
Nonoperating revenue (expenses):					
Pass-through grant revenue	\$ 1,189,576	376,919	812,657	(352,013)	1,164,670
Pass-through grant expense	(1,189,576)	(376,919)	(812,657)	352,013	(1,164,670)
Investment income	2,982,457	2,683,458	298,999	1,252,095	(953,096)
Gain on sale of capital assets	346,650	280,528	66,122	52,622	13,500
Debt issuance costs	(93,280)	(73,280)	(20,000)	(20,000)	-
Interest expense	(862,831)	(240,076)	(622,755)	25,075	(647,830)
Total	<u>\$ 2,372,996</u>	<u>2,650,630</u>	<u>(277,634)</u>	<u>1,309,792</u>	<u>(1,587,426)</u>

Investment income increased in 2024 over 2023 by \$2,683,458 as a result of an increase in interest rates and overall lower market adjustments.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, Continued

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. In 2024 and 2023, the Authority has recorded a liability for other postemployment benefits in the amount of \$4,728,237 and \$4,462,715, respectively. In 2024 and 2023, the Authority has a board designated investment account in the amount of \$5,854,814 and \$5,751,911, respectively, for other postemployment benefits.

CAPITAL ASSETS

At the end of 2024 and 2023, the Authority had \$89,180,345 and \$77,157,620 (net of accumulated depreciation and amortization) invested in a broad range of capital assets, including the Materials Management Facility, Telecommunications, Water Quality Facilities, Engineering, equipment and vehicles. The 2024 increase over 2023 of \$12,022,725 is mainly associated with the Army Sewer and Army Water Line projects. The detail of capital asset activity and balances for the various categories is included in the notes to the financial statements.

LONG-TERM DEBT ADMINISTRATION

As of March 31, 2024 and 2023, the Authority has the following revenue bond series outstanding:

<u>Bond Series</u>	Bonds outstanding as of March 31, 2024	Bonds outstanding as of March 31, 2023	Principal due 2025
Series 2015	\$ 6,445,000	6,730,000	290,000
Series 2019	<u>9,695,000</u>	<u>9,970,000</u>	<u>285,000</u>
Total	\$ <u>16,140,000</u>	<u>16,700,000</u>	<u>575,000</u>

In addition to the bonds, the Authority had loans payable as of March 31, 2024 and 2023 as follows:

<u>Loans Payable</u>	Loans outstanding as of March 2024	Loans outstanding as of March 2023	Principal due 2025
Loans payable	\$ <u>17,076,310</u>	<u>2,864,198</u>	<u>14,451,447</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Management's Discussion and Analysis, Continued

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 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 intended to provide a general overview of the Authority's financial position and to illustrate the Authority's accountability for the revenue it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer at Dulles State Office Building, 317 Washington Street, Watertown, New York 13601.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Statements of Net Position  
March 31, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u> <u>(As restated)</u>
<b>Current assets:</b>		
Cash and equivalents	\$ 6,067,643	7,010,512
Accounts receivable, net	3,208,621	4,382,833
Accrued unbilled revenue	612,707	605,762
Interest receivable	85,986	189,069
Inventory	18,462	16,280
Prepaid expenses	<u>740,887</u>	<u>625,305</u>
Total current assets	<u>10,734,306</u>	<u>12,829,761</u>
<b>Noncurrent assets:</b>		
Loans receivable, net	32,746,123	30,999,447
Investments	15,049,526	15,898,601
Funds held by trustee	885,208	837,843
Other postemployment benefits reserve fund	5,854,814	5,751,911
Restricted assets	86,459,644	84,317,735
Net pension asset - ERS - proportionate share	-	1,725,909
Capital assets, nondepreciable	7,992,523	4,964,496
Capital assets, net of accumulated depreciation/amortization	<u>81,187,822</u>	<u>72,193,124</u>
Total noncurrent assets	<u>230,175,660</u>	<u>216,689,066</u>
Total assets	<u>240,909,966</u>	<u>229,518,827</u>
<u>Deferred Outflows of Resources</u>		
Pension	3,494,419	3,833,170
OPEB	<u>198,029</u>	<u>234,811</u>
Total deferred outflows of resources	<u>3,692,448</u>	<u>4,067,981</u>
<u>Liabilities</u>		
<b>Current liabilities:</b>		
Accounts payable	2,889,093	2,579,390
Accrued expenses	764,351	695,735
Interest payable	264,775	115,634
Unearned revenue	542,240	1,232,664
Bonds payable, including premiums	630,277	615,277
Loans payable	14,451,447	118,226
Leases payable	108,242	54,981
Subscriptions payable	<u>11,155</u>	<u>35,105</u>
Total current liabilities	<u>19,661,580</u>	<u>5,447,012</u>
<b>Noncurrent liabilities:</b>		
Economic development revolving loan fund	11,087,083	10,800,488
Unearned revenue, excluding current portion	7,381,106	7,597,180
Bonds payable, including premiums, excluding current portion	16,651,475	17,281,752
Loans payable, excluding current portion	2,624,863	2,745,972
Leases payable, excluding current portion	144,899	11,285
Subscriptions payable, excluding current portion	-	11,155
Due to U.S. Army	749,985	749,985
Landfill liability	17,926,451	16,701,483
Total OPEB liability	4,728,237	4,462,715
Net pension liability - ERS - proportionate share	<u>4,365,120</u>	<u>-</u>
Total noncurrent liabilities	<u>65,659,219</u>	<u>60,362,015</u>
Total liabilities	<u>85,320,799</u>	<u>65,809,027</u>
<u>Deferred Inflows of Resources</u>		
Pension	269,550	5,953,092
OPEB	<u>2,035,355</u>	<u>2,081,166</u>
Total deferred inflows of resources	<u>2,304,905</u>	<u>8,034,258</u>
<u>Net Position</u>		
Net investment in capital assets	54,557,987	57,697,867
Restricted	81,746,378	80,067,819
Unrestricted	<u>20,672,345</u>	<u>21,977,837</u>
Total net position	<u>\$ 156,976,710</u>	<u>159,743,523</u>

See accompanying notes to financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u> (As restated)
Operating revenue:		
Customer billings	\$ 24,398,384	25,331,367
Grant revenue	1,854,316	1,681,338
Loan interest income	458,660	445,801
Landfill gas to energy revenue	420,296	572,551
Bad debt recovery	49,707	-
Other revenue	291,621	410,767
	<u>27,472,984</u>	<u>28,441,824</u>
Total operating revenue		
Operating expenses:		
Salaries and wages	7,213,315	6,877,883
Payroll taxes and fringe benefits	3,571,237	2,096,413
Operation and maintenance	3,819,002	3,721,386
Wastewater treatment	1,779,449	1,668,209
Water purchases	738,869	873,649
Community benefits	1,040,863	1,169,859
Closure and post-closure costs	1,266,768	1,276,972
Grants	-	507,985
Office and administrative	400,277	375,126
Insurance	599,899	544,932
Automobile	418,995	338,215
Utilities	179,230	223,650
Materials and supplies	318,454	322,197
Professional fees	204,582	187,952
Computer	310,815	226,740
NYS administrative assessment	122,000	122,000
Repairs and maintenance	159,289	206,199
Depreciation and amortization	10,447,868	10,388,599
Bad debt	21,881	76,386
	<u>32,612,793</u>	<u>31,204,352</u>
Total operating expenses		
Operating loss	<u>(5,139,809)</u>	<u>(2,762,528)</u>
Nonoperating revenue (expense):		
Pass-through grant revenue	1,189,576	812,657
Pass-through grant expense	(1,189,576)	(812,657)
Investment income	2,982,457	298,999
Gain on sale of capital assets	346,650	66,122
Debt issuance costs	(93,280)	(20,000)
Interest expense	(862,831)	(622,755)
	<u>2,372,996</u>	<u>(277,634)</u>
Total nonoperating revenue (expense)		
Change in net position	(2,766,813)	(3,040,162)
Net position at beginning of year	159,743,523	162,783,685
Net position at end of year	<u>\$ 156,976,710</u>	<u>159,743,523</u>

See accompanying notes to financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Statements of Cash Flows  
Years ended March 31, 2024 and 2023

	2024	2023 (As restated)
Cash flows from operating activities:		
Receipts from customers	\$ 24,132,761	26,191,151
Receipts from grants	1,854,316	1,777,083
Cash payments to suppliers	(9,963,466)	(11,789,325)
Cash payments to employees	(9,713,205)	(6,834,349)
Net cash provided by operating activities	<u>6,310,406</u>	<u>9,344,560</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(22,515,717)	(7,078,082)
Proceeds from sale of capital assets	391,774	787,359
Repayments of bonds payable	(560,000)	(535,000)
Amortization of bonds payable	(55,277)	(55,277)
Issuance of loans payable	14,330,338	-
Repayments of loans payable	(118,226)	(115,727)
Issuance of leases payable	303,068	32,956
Repayments of leases payable	(116,193)	(123,358)
Repayments of subscriptions payable	(35,105)	(35,106)
Debt issuance costs	(93,280)	(20,000)
Interest paid	(713,690)	(626,959)
Net cash used in capital and related financing activities	<u>(9,182,308)</u>	<u>(7,769,194)</u>
Cash flows from investing activities:		
Interest revenue	3,085,540	213,965
Net proceeds (purchases) of investments	849,075	1,066,529
Deposits into other postemployment benefits reserve fund	(102,903)	(124,478)
Net proceeds (purchases) of restricted assets	(2,141,909)	(1,431,967)
Change in funds held by trustee	239,230	(37,906)
Net cash provided by (used in) investing activities	<u>1,929,033</u>	<u>(313,857)</u>
Net change in cash and equivalents	(942,869)	1,261,509
Cash and equivalents at beginning of year	<u>7,010,512</u>	<u>5,749,003</u>
Cash and equivalents at end of year	<u>\$ 6,067,643</u>	<u>7,010,512</u>

(Continued)

See accompanying notes to financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Statements of Cash Flows, Continued

	<u>2024</u>	<u>2023</u> <u>(As restated)</u>
Cash flows from operating activities:		
Operating loss	\$ (5,139,809)	(2,762,528)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	10,300,085	10,230,919
Amortization expense	147,783	157,680
Bad debt expense	21,881	76,386
Bad debt recovery	(49,707)	-
Changes in:		
Accounts receivable	1,202,038	(1,335,651)
Accrued unbilled revenue	(6,945)	(67,355)
Inventory	(2,182)	1,929
Prepaid expenses	(115,582)	(47,744)
Loans receivable	(1,746,676)	(972,150)
Deferred outflows of resources	375,533	869,304
Accounts payable	309,703	1,159,715
Accrued expenses	68,616	-
Unearned revenue	(906,498)	1,880,457
Landfill liability	1,224,968	1,273,873
Total OPEB liability	265,522	(879,652)
Net pension asset/liability - proportionate share - ERS	6,091,029	(1,725,909)
Deferred inflows of resources	<u>(5,729,353)</u>	<u>1,485,286</u>
Net cash provided by operating activities	<u>\$ 6,310,406</u>	<u>9,344,560</u>

See accompanying notes to financial statements.

# DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

## Notes to Financial Statements

March 31, 2024 and 2023

### (1) Summary of Significant Accounting Policies

The financial statements of the Development Authority of the North Country (the Authority) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies used by the Authority are as follows:

#### (a) Nature of Activities

The Authority is a public benefit corporation organized under the Public Authorities Law of the State of New York (the State). The Authority was created to provide infrastructure services and economic development in Jefferson, Lewis and St. Lawrence Counties (the Counties). 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.

#### (b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP.

#### (c) Basis of Presentation

GASB requires the classification of net position into three categories defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization, 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 capital-related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted net position - This component of net position consists of amounts which have external constraints placed on its 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 net position - This component consists of net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Unrestricted net position may be designated for specific purposes by actions by the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (d) Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### (e) Cash, Cash Equivalents and Investments

For purposes of presenting the statements of cash flows, the Authority considers all highly liquid short-term investments with an original maturity of three months or less from date of purchase to be cash or cash equivalents.

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the assets or liabilities; and
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Authority assess the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

##### (f) 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.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (g) Accrued Unbilled Revenue

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

##### (h) 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.

##### (i) 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 \$377,364 and \$357,780 was considered necessary at March 31, 2024 and 2023, respectively.

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.

##### (j) Capital Assets

Capital assets are recorded at cost or at fair market value in the case of donated equipment. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of revenue, expenses and changes in net position. Depreciation is calculated on a straight-line basis ranging from 3 - 50 years, which is the estimated useful life of the assets.

##### (k) Funds Held by Trustees

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.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (l) 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, the 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 statements of net position.

##### (m) 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.

##### (n) Deferred Outflows and Inflows of Resources

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 (expense) until then. The Authority has two items that qualify for reporting in this category. The first item is related to the pension and represents the effect of the net change in the Authority's proportion of the collective net pension asset/liability and difference during the measurement period between the Authority's contributions and its proportionate share of total contributions to the pension system not included in pension expense as well as the Authority's contributions to the pension system subsequent to the measurement date. The second item is related to OPEB and relates to differences between expected and actual experience, changes in assumptions as well as the Authority's contributions subsequent to the measurement date.

Deferred inflows of resources represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. The first is related to the pension and represents the effect of the net change in the Authority's proportion of the collective net pension asset/liability and difference during the measurement periods between the Authority's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The second item is related to OPEB and relates to differences between expected and actual experience and changes in assumptions.

##### (o) 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.

##### (p) 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 Statements of Net Position date and the current estimated costs for closure and post-closure care.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (q) Other Postemployment Benefits

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

##### (r) 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.

##### (s) Operating and Nonoperating Revenue and Expenses

Operating revenue consists of sales of services performed and other related revenue. The Authority defines nonoperating revenue as interest earnings on investment assets and realized/unrealized gains or losses on sales of investments. Nonoperating 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.

##### (t) Income Tax

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.

##### (u) Subsequent Events

The Authority has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The Authority entered into a subscription-based information technology arrangement on April 1, 2024. This agreement matures on April 1, 2029 and has a total principal due of \$101,169.

##### (v) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

##### (w) Subscription-Based Information Technology Arrangements

During the year ended March 31, 2024, the Authority adopted provisions of GASB Statement No 96 - "Subscription-Based Information Technology Arrangements." The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. See note 15 to the financial statements for the impact of the implementation on the financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(x) Reclassifications

Reclassifications have been made to certain 2023 balances in order to conform them to the 2024 presentation.

(2) Net Position

(a) Restricted Net Position

The Authority maintains the following in restricted net position as of March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Community rental housing program	\$ 13,369,120	13,162,260
Community development loan fund	10,175,163	9,702,563
Affordable housing program	22,661,333	22,360,403
Army water and sewer line reserves	1,800,000	1,800,000
Regional waterline operating and debt service reserves	377,190	404,885
Wetlands mitigation	325,943	321,895
Reserve for liner expansion and replacement	20,344,738	17,015,518
Reserve for open access telecommunication networks	4,506,053	6,950,831
Closure/post-closure prefunding reserve	<u>8,186,838</u>	<u>8,349,464</u>
Total restricted net position	<u>\$ 81,746,378</u>	<u>80,067,819</u>

(b) Unrestricted Net Position

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Board designated net position:		
Administrative reserve/supplemental insurance	\$ 4,000,000	4,000,000
Infrastructure development	223,107	223,107
Capital reserves	691,331	867,621
Materials management - tip fee stabilization and landfill gas reserves	4,463,685	6,241,367
Economic development fund	5,352,962	5,314,979
Affordable housing	<u>3,000,000</u>	<u>3,000,000</u>
Total Board designated net position	17,731,085	19,647,074
Undesignated net position	<u>2,941,260</u>	<u>2,330,763</u>
Total unrestricted net position	<u>\$ 20,672,345</u>	<u>21,977,837</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(3) Cash and Equivalents

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Demand deposits	\$ 4,887,694	6,242,814
Time deposits	<u>1,179,949</u>	<u>767,698</u>
	\$ <u>6,067,643</u>	<u>7,010,512</u>

Custodial Credit Risk

Custodial credit risk for cash deposits, cash equivalents, money market funds, or investments 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.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(3) Cash and Equivalents, Continued

Custodial Credit Risk, Continued

All investments were fully secured at March 31, 2024 and 2023. Total non-restricted investments by type are as follows at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Certificates of deposit	\$ 6,348,750	6,621,370
United States Treasury obligations/government agencies	4,636,891	5,773,881
Money market	4,012,539	3,503,350
Accrued interest receivable	<u>51,346</u>	<u>-</u>
	<u>\$ 15,049,526</u>	<u>15,898,601</u>

Custodial Credit Risk - Deposits

At March 31, 2024 and 2023, the Authority had the following deposits that were exposed to custodial credit risk:

	<u>2024</u>	
	<u>Book Balance</u>	<u>Bank Balance</u>
Cash and equivalents	\$ 6,067,643	6,270,659
Other deposits included in restricted assets and investments	<u>11,062,311</u>	<u>11,062,311</u>
	<u>\$ 17,129,954</u>	<u>17,332,970</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>16,832,815</u>
		<u>\$ 17,332,970</u>
	<u>2023</u>	
	<u>Book Balance</u>	<u>Bank Balance</u>
Cash and equivalents	\$ 7,010,512	8,060,770
Other deposits included in restricted assets and investments	<u>12,165,948</u>	<u>12,165,948</u>
	<u>\$ 19,176,460</u>	<u>20,226,718</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>19,726,563</u>
		<u>\$ 20,226,718</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(3) Cash and Equivalents, Continued

Custodial Credit Risk - Deposits, Continued

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.

(4) Restricted Assets and Other Postemployment Benefits Reserve Fund

Restricted assets are held for the following purposes at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Landfill closure and post-closure care	\$ 25,134,084	23,823,844
Telecommunications network	9,158,676	9,630,003
Replacement and liner at materials management facility	20,207,728	16,924,755
Affordable housing program	16,400,250	14,155,631
North Country economic development	7,814,842	8,149,364
Community rental housing program	1,601,977	4,834,800
Community development loan fund	2,491,108	3,228,146
Army water and sewer line	2,803,191	2,750,327
Regional waterline operating and debt service reserves	521,845	498,970
Wetlands mitigation	<u>325,943</u>	<u>321,895</u>
	<u>\$ 86,459,644</u>	<u>84,317,735</u>

For restricted assets and other postemployment benefits reserve fund, 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, 2024 and 2023.

Restricted assets consisted of the following at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Certificates of deposit	\$ 37,052,941	35,429,435
United States Treasury obligations/government agencies	32,538,094	27,985,629
Money market	16,589,329	20,743,018
Accrued interest receivable	<u>279,280</u>	<u>159,653</u>
	<u>\$ 86,459,644</u>	<u>84,317,735</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(4) Restricted Assets and Other Postemployment Benefits Reserve Fund, Continued

Other postemployment benefits reserve fund consisted of the following at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Certificates of deposit	\$ 4,828,259	4,634,486
United States Treasury obligations/government agencies	1,010,253	990,802
Money market	6,036	126,623
Accrued interest receivable	<u>10,266</u>	<u>-</u>
	<u>\$ 5,854,814</u>	<u>5,751,911</u>

(5) Accounts Receivable

Accounts receivable are due within one year and consisted of the following at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Materials management facility	\$ 970,417	849,217
Water quality	352,312	522,478
Telecommunications network	1,750,744	2,748,326
Engineering	91,702	12,302
Other	<u>130,983</u>	<u>387,926</u>
	3,296,158	4,520,249
Less allowance for doubtful accounts	<u>(87,537)</u>	<u>(137,416)</u>
Total accounts receivable, net	<u>\$ 3,208,621</u>	<u>4,382,833</u>

(6) Loans Receivable

Loans receivable are summarized as follows at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Affordable Housing Program	\$ 10,040,181	9,491,621
Community Rental Housing Program	11,879,806	11,930,197
Community Development Loan Fund	7,872,201	7,039,185
North Country Economic Loan Fund	3,259,876	2,645,524
Development Authority Economic Development Loan Fund	<u>71,423</u>	<u>250,700</u>
	33,123,487	31,357,227
Less allowance for loan loss	<u>(377,364)</u>	<u>(357,780)</u>
Loans receivable, net	<u>\$ 32,746,123</u>	<u>30,999,447</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(6) Loans Receivable, Continued

Activity in the allowance for loan losses is as follows for the years ended March 31, 2024 and 2023:

		<u>2024</u>	<u>2023</u>
Balance at beginning of year	\$	357,780	351,932
Additional allowance for doubtful accounts		<u>19,584</u>	<u>5,848</u>
Balance at end of year	\$	<u>377,364</u>	<u>357,780</u>

There were no impaired loans at March 31, 2024 and 2023.

(7) Capital Assets

Capital asset and lease activity for the years ended March 31, 2024 and 2023 was as follows:

	Balance at <u>April 1, 2023</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Balance at <u>March 31, 2024</u>
Nondepreciable assets:					
Land	\$ 1,620,224	-	-	-	1,620,224
Construction in progress	<u>3,344,272</u>	<u>22,212,649</u>	<u>(19,184,622)</u>	-	<u>6,372,299</u>
Total nondepreciable assets	<u>4,964,496</u>	<u>22,212,649</u>	<u>(19,184,622)</u>	-	<u>7,992,523</u>
Depreciable assets:					
Construction	196,289,120	-	15,901,234	(1,879,412)	210,310,942
Equipment	36,529,703	-	2,745,164	(738,441)	38,536,426
Vehicles	1,259,155	-	538,224	(102,321)	1,695,058
Leasehold improvements	72,308	-	-	-	72,308
Right-to-use buildings	280,980	303,068	-	(248,024)	336,024
Right-to-use subscriptions	<u>145,785</u>	-	-	-	<u>145,785</u>
Total depreciable assets	<u>234,577,051</u>	<u>303,068</u>	<u>19,184,622</u>	<u>(2,968,198)</u>	<u>251,096,543</u>
Accumulated depreciation and amortization:					
Construction	(133,427,120)	(7,654,425)	-	1,879,412	(139,202,133)
Equipment	(27,692,862)	(2,434,291)	-	720,562	(29,406,591)
Vehicles	(877,696)	(211,369)	-	75,076	(1,013,989)
Leasehold improvements	(72,308)	-	-	-	(72,308)
Right-to-use buildings	(214,416)	(112,678)	-	248,024	(79,070)
Right-to-use subscriptions	<u>(99,525)</u>	<u>(35,105)</u>	-	-	<u>(134,630)</u>
Total accumulated depreciation and amortization	<u>(162,383,927)</u>	<u>(10,447,868)</u>	-	<u>2,923,074</u>	<u>(169,908,721)</u>
Total capital assets being depreciated and amortized, net	<u>72,193,124</u>	<u>(10,144,800)</u>	<u>19,184,622</u>	<u>(45,124)</u>	<u>81,187,822</u>
Capital assets, net	<u>\$ 77,157,620</u>	<u>12,067,849</u>	-	<u>(45,124)</u>	<u>89,180,345</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(7) Capital Assets, Continued

	Balance at April 1, 2022*	Additions*	Transfers*	Disposals*	Balance at March 31, 2023*
Nondepreciable assets:					
Land	\$ 1,706,699	-	-	(86,475)	1,620,224
Construction in progress	791,389	6,965,269	(4,412,386)	-	3,344,272
Total nondepreciable assets	<u>2,498,088</u>	<u>6,965,269</u>	<u>(4,412,386)</u>	<u>(86,475)</u>	<u>4,964,496</u>
Depreciable assets:					
Construction	194,501,476	-	2,397,349	(609,705)	196,289,120
Equipment	35,676,468	79,857	1,674,581	(901,203)	36,529,703
Vehicles	1,099,214	-	340,456	(180,515)	1,259,155
Leasehold improvements	75,281	-	-	(2,973)	72,308
Right-to-use buildings	284,706	32,956	-	(36,682)	280,980
Right-to-use subscriptions	145,785	-	-	-	145,785
Total depreciable assets	<u>231,782,930</u>	<u>112,813</u>	<u>4,412,386</u>	<u>(1,731,078)</u>	<u>234,577,051</u>
Accumulated depreciation and amortization:					
Construction	(126,000,988)	(7,599,331)	-	173,199	(133,427,120)
Equipment	(25,972,384)	(2,438,476)	-	717,998	(27,692,862)
Vehicles	(850,048)	(193,112)	-	165,464	(877,696)
Leasehold improvements	(75,281)	-	-	2,973	(72,308)
Right-to-use buildings	(128,524)	(122,574)	-	36,682	(214,416)
Right-to-use subscriptions	(64,419)	(35,106)	-	-	(99,525)
Total accumulated depreciation and amortization	<u>(153,091,644)</u>	<u>(10,388,599)</u>	<u>-</u>	<u>1,096,316</u>	<u>(162,383,927)</u>
Total capital assets being depreciated and amortized, net	<u>78,691,286</u>	<u>(10,275,786)</u>	<u>4,412,386</u>	<u>(634,762)</u>	<u>72,193,124</u>
Capital assets, net	<u>\$ 81,189,374</u>	<u>(3,310,517)</u>	<u>-</u>	<u>(721,237)</u>	<u>77,157,620</u>

\*Restated for the implementation of GASB 96.

(8) Right-to-Use Assets

(a) Leases

The Authority leases two buildings. At March 31, 2024 and 2023, the Authority has a net right-to-use asset for buildings of \$256,954 and \$66,564, respectively, as well as leases payable of \$253,141 and \$66,266, respectively. The right-to-use asset is being amortized on the straight-line method throughout the life of the leases. The following is the amortization schedule of the leases payable:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 108,242	11,697	119,939
2026	101,700	6,720	108,420
2027	<u>43,199</u>	<u>1,976</u>	<u>45,175</u>
	<u>\$ 253,141</u>	<u>20,393</u>	<u>273,534</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(8) Right-to-Use Assets, Continued

(b) Subscriptions

The Authority has two subscription arrangements that qualify under GASB 96. At March 31, 2024 and 2023, the Authority has a net right-to-use asset for subscriptions as well as subscriptions payable for subscriptions of \$11,155 and \$46,260, respectively. The \$11,155 is due during the year ending March 31, 2025. No interest component has been recognized as the interest portion would be immaterial.

(9) Long-Term Liabilities

Long-term liability activity for the years ended March 31, 2024 and 2023 was as follows:

	<u>Balance at</u> <u>April 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>March 31, 2024</u>	<u>Due within</u> <u>one year</u>
Loans payable	\$ 2,864,198	14,330,338	118,226	17,076,310	14,451,447
Bonds payable	16,700,000	-	560,000	16,140,000	575,000
Premium on bonds	1,197,029	-	55,277	1,141,752	55,277
Net pension (asset) liability - ERS	(1,725,909)	6,091,029	-	4,365,120	-
OPEB liability	4,462,715	265,522	-	4,728,237	-
Lease liability	66,266	303,068	116,193	253,141	108,242
Subscription liability	46,260	-	35,105	11,155	11,155
Landfill liability	16,701,483	1,224,968	-	17,926,451	-
Due to U.S. Army	749,985	-	-	749,985	-
<b>Total long-term liabilities</b>	<b>\$ 41,062,027</b>	<b>22,214,925</b>	<b>884,801</b>	<b>62,392,151</b>	<b>15,201,121</b>

	<u>Balance at</u> <u>April 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>March 31, 2024</u>	<u>Due within</u> <u>one year</u>
Loans payable:					
Unsecured loan payable to the State of New York in annual payments of \$50,000 through March 2040. This loan does not bear interest.	\$ 814,000	-	50,000	764,000	50,000
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.	881,330	-	51,444	829,886	53,759
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	-

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(9) Long-Term Liabilities, Continued

	<u>Balance at April 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at March 31, 2024</u>	<u>Due within one year</u>
<b>Loans payable, continued:</b>					
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.	\$ 568,868	-	16,782	552,086	17,350
Unsecured note payable to Community Bank. The loan is short-term and due during fiscal year 2025, including interest at 6.62%. A long-term debt will be secured.	-	3,681,864	-	3,681,864	3,681,864
Unsecured note payable to the New York State Environmental Facilities Corporation. The loan is short-term and due during fiscal year 2025, including interest at 3.2%. A long-term debt will be secured.	-	10,648,474	-	10,648,474	10,648,474
Total loans payable	<u>\$ 2,864,198</u>	<u>14,330,338</u>	<u>118,226</u>	<u>17,076,310</u>	<u>14,451,447</u>
	<u>Balance at April 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at March 31, 2024</u>	<u>Due within one year</u>
<b>Bonds payable:</b>					
Series 2015 bonds maturing in annual amounts ranging from \$225,000 to \$490,000 through 2039 bearing interest ranging from 2.00% to 3.75%.	\$ 6,730,000	-	285,000	6,445,000	290,000
Series 2019 bonds maturing in annual amounts ranging from \$240,000 to \$650,000 through 2044 bearing interest ranging from 3.25% to 5.00%.	<u>9,970,000</u>	<u>-</u>	<u>275,000</u>	<u>9,695,000</u>	<u>285,000</u>
Total bonds payable	<u>\$ 16,700,000</u>	<u>-</u>	<u>560,000</u>	<u>16,140,000</u>	<u>575,000</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(9) Long-Term Liabilities, Continued

	Balance at April 1, 2022*	Increases*	Decreases*	Balance at March 31, 2023*	Due within one year*
Loans payable	\$ 2,979,925	-	(115,727)	2,864,198	118,226
Bonds payable	17,235,000	-	(535,000)	16,700,000	560,000
Premium on bonds	1,252,306	-	(55,277)	1,197,029	55,277
Net pension (asset) liability - ERS	19,480	-	(1,745,389)	(1,725,909)	-
OPEB liability	5,322,887	-	(860,172)	4,462,715	-
Lease liability	156,668	32,956	(123,358)	66,266	54,981
Subscription liability	81,366	-	(35,106)	46,260	35,105
Landfill liability	15,427,610	1,273,873	-	16,701,483	-
Due to U.S. Army	749,985	-	-	749,985	-
Total long-term liabilities	<u>\$ 43,225,227</u>	<u>1,306,829</u>	<u>(3,470,029)</u>	<u>41,062,027</u>	<u>823,589</u>

\* Restated for implementation of GASB 96.

	Balance at April 1, 2022	Increases	Decreases	Balance at March 31, 2023	Due within one year
Loans payable:					
Unsecured loan payable to the State of New York in annual payments of \$50,000 through March 2040. This loan does not bear interest.	\$ 864,000	-	50,000	814,000	50,000
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.	930,560	-	49,230	881,330	51,444
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.	585,365	-	16,497	568,868	16,782
Total loans payable	<u>\$ 2,979,925</u>	<u>-</u>	<u>115,727</u>	<u>2,864,198</u>	<u>118,226</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(9) Long-Term Liabilities, Continued

	<u>Balance at April 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at March 31, 2023</u>	<u>Due within one year</u>
Bonds payable:					
Series 2015 bonds maturing in annual amounts ranging from \$225,000 to \$490,000 through 2039 bearing interest ranging from 2.00% to 3.75%.	\$ 7,005,000	-	275,000	6,730,000	285,000
Series 2019 bonds maturing in annual amounts ranging from \$240,000 to \$650,000 through 2044 bearing interest ranging from 3.25% to 5.00%.	<u>10,230,000</u>	<u>-</u>	<u>260,000</u>	<u>9,970,000</u>	<u>275,000</u>
Total bonds payable	<u>\$ 17,235,000</u>	<u>-</u>	<u>535,000</u>	<u>16,700,000</u>	<u>560,000</u>

Future minimum payments for the Authority's loans payable are as follows as of March 31, 2024:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,451,447	48,387	14,499,834
2026	123,813	45,621	169,434
2027	126,625	42,740	169,365
2028	129,552	39,740	169,292
2029	132,882	36,615	169,497
2030 - 2034	715,486	131,352	846,838
2035 - 2039	528,506	43,518	572,024
2040 - 2044	134,884	20,656	155,540
2045 - 2049	<u>733,115</u>	<u>8,084</u>	<u>741,199</u>
	<u>\$ 17,076,310</u>	<u>416,713</u>	<u>17,493,023</u>

There are two loans totaling \$14,330,338 included in the 2025 loan payments above. These are expected to become long-term loans. Until the long-term loans are secured, these are considered short-term.

Interest paid on loans payable during the years ended March 31, 2024 and 2023 were \$315,123 and \$54,107, respectively.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(9) Long-Term Liabilities, Continued

Future minimum payments for the Authority's bonds payable are as follows as of March 31, 2024:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 575,000	582,200	1,157,200
2026	600,000	558,369	1,158,369
2027	625,000	533,169	1,158,169
2028	655,000	507,244	1,162,244
2029	680,000	480,369	1,160,369
2030 - 2034	3,830,000	1,972,381	5,802,381
2035 - 2039	4,610,000	1,187,416	5,797,416
2040 - 2044	3,915,000	388,281	4,303,281
2045	<u>650,000</u>	<u>10,563</u>	<u>660,563</u>
	\$ <u>16,140,000</u>	<u>6,219,992</u>	<u>22,359,992</u>

Interest paid on bonds payable during the years ended March 31, 2024 and 2023 were \$544,835 and \$564,821, respectively.

The Authority also has a line of credit payable in the amount of \$3,636,980 to Community Bank, N.A. The letter of credit was required to be secured on behalf of a National Telecommunications and Information Administration grant received by the Telecommunications Division in fiscal year 2024. The funds are available to the National Institute of Standards and Technology if certain requirements of the grant are not fulfilled. No funds have been drawn against the letter of credit in fiscal year 2024. The Authority does not anticipate any funds being drawn from the letter of credit for the life of the grant.

(10) Materials Management Facility

(a) 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 Statements of Net Position dates. The Authority has set aside for landfill closure and post-closure care liability \$25,134,084 and \$23,823,844 at March 31, 2024 and 2023, respectively, and which is reported under restricted assets, which represents the cumulative amount reported to date based on the use of 49% and 39%, as of March 31, 2024 and 2023, respectively, of the estimated capacity of both landfills. The Authority will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity of both landfills are filled. Costs are estimated based on what it would cost to perform all closure and post-closure care through 2072. The Authority expects to close the currently permitted landfill in 2026 but has

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(10) Materials Management Facility, Continued

(a) Landfill Closure and Post-Closure Care Costs, Continued

increased the landfill capacity by adding the new Southern Expansion landfill on the existing landfill site. The landfill expansion project opened in June of 2022 and adds an estimated additional 11 million tons of available space for waste placement and increases the estimated landfill life by 50 years. 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. The Authority expects that future inflation costs will be paid from interest earnings on the annual contributions to the restricted asset account. 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.

(b) 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 2024 and 2023, tipping fees of \$1,283,893 and \$1,277,380, respectively, were set aside for replacement. These charges have been recorded as revenue in the accompanying Statements of Revenue, Expenses and Changes 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.

(c) Liner

The new landfill consists of a total of nine cells. The build out of the first two cells has been completed. The remaining seven cells will be built over the next 38 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 2024 and 2023, tipping fees of \$1,711,858 and \$1,532,855, respectively, were set aside for the liner reserve. These charges have been recorded as revenue in the accompanying Statements of Revenue, Expenses and Changes 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.

(d) 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 Position as the Facility is required by law to mitigate the wetlands at the Facility in order to expand. The balance in this reserve was \$325,943 and \$321,895 at March 31, 2024 and 2023, respectively.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Notes to Financial Statements, Continued

#### (10) Materials Management Facility, Continued

##### (e) 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 in the accompanying Statements of Revenue, Expenses and Changes in Net Position and amounted to \$1,412,455 and \$9,948 in 2024 and 2023, respectively.

#### (11) Pension Plan

##### (a) Plan Descriptions and Benefits Provided

###### Employees' Retirement System

The Authority participates in the New York State and Local Employee Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides 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), which was established to hold all net position and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public 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. 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, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3.0 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 6.0 percent of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

##### (b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At March 31, 2024 and 2023, the Authority reported the following asset/(liability) for its proportionate share of the net pension liability for the System. The net pension asset/(liability) was measured as of March 31, 2023 and 2022, respectively. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Authority's proportionate share of the net pension asset/(liability) was based on a projection of the Authority's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Authority.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(11) Pension Plan, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

	<u>2023</u>	<u>2022</u>
Measurement date	3/31/2023	3/31/2022
Net pension asset (liability)	\$ (4,365,120)	1,725,909
Authority's proportion of the System's net pension asset/liability	0.0203559%	0.0211131%
Changes in proportionate share from prior year	(0.0007572)	0.0015495

For the years ended March 31, 2024 and 2023, the Authority recognized pension expense of \$1,545,783 and \$106,496, respectively, for the System in the Statements of Revenue, Expenses and Changes in Net Position. At March 31, 2024 and 2023, the Authority's reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 464,919	122,589
Changes of assumptions	2,119,984	23,430
Net difference between projected and actual investment earnings on pension plan investments	-	25,645
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	105,236	97,886
Authority's contributions subsequent to the measurement date	<u>804,280</u>	<u>-</u>
Total	\$ <u>3,494,419</u>	<u>269,550</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(11) Pension Plan, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 130,705	169,532
Changes of assumptions	2,880,349	48,603
Net difference between projected and actual investment earnings on pension plan investments	-	5,651,629
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	158,987	83,328
Authority's contributions subsequent to the measurement date	<u>663,129</u>	<u>-</u>
Total	\$ <u>3,833,170</u>	<u>5,953,092</u>

Authority contributions subsequent to the March 31, 2023 measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2025. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ending</u>	
2025	\$ 583,316
2026	(235,012)
2027	895,400
2028	<u>1,176,885</u>
	\$ <u>2,420,589</u>

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(11) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return (net of investment expense, including inflation)	5.9%
Salary scale	4.4%
Inflation rate	2.9%
Cost-of-living adjustments	1.5%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - April 1, 2020.

The long-term 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 returns, net of investment expense 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 are summarized as follows.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	<u>1.00%</u>	0.00%
	<u>100.00%</u>	

\*The real rate of return is net of the long-term inflation assumption of 2.5%.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(11) Pension Plan, Continued

(d) 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 determined. Based upon the assumptions, the System'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.

(e) Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate

The following presents the Authority's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower 4.9% or 1-percentage point higher 6.9% than the current rate:

	2024		
	1%	Current	1%
	Decrease 4.9%	Assumption 5.9%	Increase 6.9%
Employer's proportionate share of the net pension asset (liability)	\$ <u>(10,548,622)</u>	\$ <u>(4,365,120)</u>	\$ <u>801,916</u>
	2023		
	1%	Current	1%
	Decrease 4.9%	Assumption 5.9%	Increase 6.9%
Employer's proportionate share of the net pension asset (liability)	\$ <u>(4,442,471)</u>	\$ <u>1,725,909</u>	\$ <u>6,885,462</u>

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
	<u>2024</u>	<u>2023</u>
Measurement date	3/31/2023	3/31/2022
Employers' total pension liability	\$ (232,627)	(223,875)
Plan fiduciary net position	<u>211,183</u>	<u>232,050</u>
Employers' net pension liability	\$ <u>(21,444)</u>	<u>8,175</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	90.78%	103.65%

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(11) Pension Plan, Continued

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System’s fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of March 31, 2024 and 2023 represent the projected employer contribution for the period of April 1, 2023 through March 21, 2024 and through April 1, 2022 through March 31, 2023, respectively, based on paid employee wages multiplied by the employer’s contribution rate, by tier. Retirement contributions paid to the System for the years ended March 31, 2024 and 2023 was \$798,538 and \$663,000, respectively.

(12) Other Postemployment Benefits

(a) Plan Description and Benefits

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 standalone financial report since there are no assets accumulated in a trust that meet the criteria in GASB 75, paragraph 4.

(b) Employees Covered By Benefit Terms

At March 31, 2024 and 2023, the following employees were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Inactive members	18	18
Active members	<u>63</u>	<u>63</u>
	<u>81</u>	<u>81</u>

(c) Total OPEB Liability

The Authority’s total OPEB liability of \$4,728,237 and \$4,462,715 was measured as of March 31, 2024 and 2023, respectively, and was determined by an actuarial valuation as of March 31, 2023.

(d) Actuarial Assumptions and Other Inputs

Management of the Authority performed update procedures and did not use an actuary to update the March 31, 2023. The Authority has less than 100 employees, and therefore, is allowed to perform this alternative method in accordance with GASB 75.

The total OPEB liability in the March 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(12) Other Postemployment Benefits, Continued

(d) Actuarial Assumptions and Other Inputs, Continued

Salary increase rate	3.00%
Discount rate	4.75%
Healthcare cost trend rates	5.00%
Mortality rates	RP-2014 Mortality table with separate rates for males and females and for active and retirees

(e) Changes in the Total OPEB Liability

	<u>2024</u>	<u>2023</u>
Total OPEB liability at beginning of year	\$ <u>4,462,715</u>	<u>5,322,887</u>
Changes for the year:		
Service cost	279,878	275,575
Interest	184,189	184,189
Differences between expected and actual experience	(52,703)	92,006
Changes in assumptions or other inputs	(50,843)	(1,349,365)
Benefit payments	<u>(94,999)</u>	<u>(62,577)</u>
Total changes	<u>265,522</u>	<u>(860,172)</u>
Total OPEB liability at end of year	\$ <u>4,728,237</u>	<u>4,462,715</u>

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Authority's total OPEB liability calculated using the current discount rate, 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:

	<u>2024</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>5,333,521</u>	<u>4,728,237</u>	<u>3,776,189</u>
	<u>2023</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>5,333,521</u>	<u>4,462,715</u>	<u>3,776,189</u>

The sensitivity tables assumed the same changes for 2024 as it did for 2023 as the update used the alternative method. Changes are assumed to be immaterial.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(12) Other Postemployment Benefits, Continued

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Authority's total OPEB liability calculated using the current healthcare cost trend rates, 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 rates:

	2024		
	1%	Healthcare	1%
	<u>Decrease</u>	<u>Cost Trend Rates</u>	<u>Increase</u>
Total OPEB liability	\$ <u>3,724,997</u>	<u>4,728,237</u>	<u>5,406,871</u>
	2023		
	1%	Healthcare	1%
	<u>Decrease</u>	<u>Cost Trend Rates</u>	<u>Increase</u>
Total OPEB liability	\$ <u>3,724,997</u>	<u>4,462,715</u>	<u>5,406,871</u>

The sensitivity tables assumed the same changes for 2024 as it did for 2023 as the update used the alternative method. Changes are assumed to be immaterial.

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended March 31, 2024 and 2023, the Authority recognized OPEB expense of \$256,493 and \$360,944, respectively. At March 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	773,191
Changes of assumptions or other inputs	<u>198,029</u>	<u>1,262,164</u>
Total	\$ <u>198,029</u>	<u>2,035,355</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(12) Other Postemployment Benefits, Continued

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB, Continued

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,625	796,056
Changes of assumptions or other inputs	<u>147,186</u>	<u>1,285,110</u>
Total	\$ <u>234,811</u>	<u>2,081,166</u>

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

<u>Year ending</u>	
2025	\$ (103,546)
2026	(103,546)
2027	(103,546)
2028	(103,546)
2029	(103,546)
Thereafter	<u>(1,319,596)</u>
	\$ <u>(1,837,326)</u>

(13) Contractual Agreements

(a) Materials Management Agreement

The Authority entered into an agreement with the City of Watertown (the City) and Jefferson, Lewis and St. Lawrence Counties (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 revenue 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.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Notes to Financial Statements, Continued

#### (13) Contractual Agreements, Continued

##### (b) Host Community Agreement

In 1993, the Authority entered into an agreement with the Town of Rodman, New York (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 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 were \$857,054 and \$1,021,625 in 2024 and 2023, respectively.

##### (c) Gas-to-Energy Plant Agreement

In 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 \$420,296 and \$572,551 in 2024 and 2023, respectively, and are recorded separately on the accompanying Statements of Revenue, Expenses and Changes in Net Position.

##### (d) Water Agreement

The Authority and the United States Army (the Army) entered into a water supply agreement in 1990. The City of Watertown 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.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(13) Contractual Agreements, Continued

(e) Wastewater Agreement

The Authority and the Army entered into a wastewater service agreement in 1986. The City of Watertown 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.

(f) 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.

(14) 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.

(15) Subscription-Based Information Technology Arrangements

For the year ended March 31, 2024, the Authority implemented GASB Statement No. 96 - "Subscription-Based Information Technology Arrangements." The implementation of this Statement resulted in reporting certain activities related to the long-term impact of the Authority's subscription-based information technology arrangements. The implementation resulted in the restatement of balances of the Authority for the year ended March 31, 2023. The March 31, 2023 balances were restated as follows:

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Notes to Financial Statements, Continued

(15) Subscription-Based Information Technology Arrangements, Continued

	2023, As Previously Stated	Restatement	2023, As Restated
Right-to-use assets subscriptions	\$ <u>          -</u>	<u>145,785</u>	<u>145,785</u>
Accumulated amortization	\$ <u>          -</u>	<u>(99,525)</u>	<u>(99,525)</u>
Subscription payable	\$ <u>          -</u>	<u>(46,260)</u>	<u>(46,260)</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
 Required Supplementary Information  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Year ended March 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability:						
Service cost	\$ 279,878	275,575	259,524	259,524	248,401	248,401
Interest	184,189	184,189	187,290	187,290	169,281	169,281
Differences between expected and actual experience	(52,703)	92,006	-	(862,191)	-	(99,163)
Changes in assumptions or other inputs	(50,843)	(1,349,365)	-	-	-	208,511
Benefit payments	<u>(94,999)</u>	<u>(62,577)</u>	<u>(74,049)</u>	<u>(67,705)</u>	<u>(59,298)</u>	<u>(53,275)</u>
Net change in total OPEB liability	265,522	(860,172)	372,765	(483,082)	358,384	473,755
Total OPEB liability - beginning	<u>4,462,715</u>	<u>5,322,887</u>	<u>4,950,122</u>	<u>5,433,204</u>	<u>5,074,820</u>	<u>4,601,065</u>
Total OPEB liability - ending	<u>\$ 4,728,237</u>	<u>4,462,715</u>	<u>5,322,887</u>	<u>4,950,122</u>	<u>5,433,204</u>	<u>5,074,820</u>
Covered payroll	\$ 4,585,487	4,585,487	4,081,382	3,819,887	4,287,573	3,679,648
Total OPEB liability as a percentage of covered payroll	103.11%	97.32%	130.42%	129.59%	126.72%	137.92%

Notes to schedule:

The Authority did not obtain an actuarial valuation as of March 31, 2024, 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 cost trend rates have remained consistent at a rate of 5.0%.

To pay related benefits:

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

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

<u>2024</u>	<u>2032</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
4.75%	4.75%	3.29%	3.29%	3.29%	3.29%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years for which information is available. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
 Required Supplementary Information  
 Schedule of the Authority's Proportionate Share of the Net Pension Asset/Liability  
 Year ended March 31, 2024

NYSERS Pension Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension asset/liability	0.0203559%	0.0211131%	0.0195636%	0.0198206%	0.0178475%	0.0177834%	0.0175474%	0.0168838%	0.0167435%
Authority's proportionate share of the net pension asset (liability)	\$ (4,365,120)	1,725,909	(19,480)	(5,248,617)	(1,309,024)	(573,949)	(1,648,794)	(2,709,904)	(565,635)
Authority's covered payroll	\$ 6,397,012	5,970,353	5,847,483	5,642,812	5,462,255	4,970,504	4,620,918	4,355,501	4,052,840
Authority's proportionate share of the net pension asset/liability as a percentage of its covered payroll	68.24%	28.91%	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 asset/liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years for which information is available.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
 Required Supplementary Information  
 Schedule of the Authority's Pension Contributions  
 Year ended March 31, 2024

NYSERS Pension Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 798,538	663,129	890,375	796,667	766,847	714,456	683,563	659,418	601,067
Contributions in relation to the contractually required contributions	<u>798,538</u>	<u>663,129</u>	<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>
Contributions deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's covered payroll	\$ 6,397,012	5,970,353	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 payroll	12.48%	11.11%	15.23%	14.12%	14.04%	14.37%	14.79%	15.14%	14.83%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years for which information is available.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Other Supplementary Information  
Schedule of Revenue, Expenses and Changes in Net Position by Department  
Year ended March 31, 2024

	General and <u>Administration</u>	Solid Waste Management <u>Facility</u>	Water Quality <u>Operations</u>	Telecommunication <u>Network</u>	Housing and Economic <u>Development</u>	<u>Engineering</u>	<u>Total</u>
Operating revenue:							
Customer billings	\$ -	10,103,674	6,958,029	6,569,418	219,997	547,266	24,398,384
Grant revenue	-	-	-	1,391,722	462,594	-	1,854,316
Loan interest income	-	-	-	-	458,660	-	458,660
Landfill gas to energy revenue	-	420,296	-	-	-	-	420,296
Bad debt recovery	-	-	-	47,410	2,297	-	49,707
Other revenue	228,243	6,075	5,408	9,990	41,905	-	291,621
Total operating revenue	<u>228,243</u>	<u>10,530,045</u>	<u>6,963,437</u>	<u>8,018,540</u>	<u>1,185,453</u>	<u>547,266</u>	<u>27,472,984</u>
Operating expenses:							
Salaries and wages	1,325,412	1,716,837	2,066,983	1,512,088	318,758	273,237	7,213,315
Payroll taxes and fringe benefits	511,482	939,037	1,146,426	666,449	174,054	133,789	3,571,237
Operation and maintenance	6,051	1,496,641	240,218	2,004,947	19,030	52,115	3,819,002
Wastewater treatment	-	576,256	1,203,193	-	-	-	1,779,449
Water purchases	-	-	738,869	-	-	-	738,869
Community benefits	-	857,054	-	-	183,809	-	1,040,863
Closure and post-closure costs	-	1,266,768	-	-	-	-	1,266,768
Office and administrative	101,982	90,713	120,940	51,626	7,865	27,151	400,277
Insurance	19,569	246,991	140,710	176,259	-	16,370	599,899
Automobile	1,922	17,400	308,716	73,881	-	17,076	418,995
Utilities	-	63,788	110,448	4,994	-	-	179,230
Materials and supplies	-	318,454	-	-	-	-	318,454
Professional fees	87,268	71,546	1,426	11,429	32,913	-	204,582
Computer	183,997	13,827	31,828	36,222	778	44,163	310,815
NYS administrative assessment	-	51,262	36,335	31,001	-	3,402	122,000
Repairs and maintenance	-	11,868	147,421	-	-	-	159,289
Depreciation and amortization	393,422	5,197,004	934,767	3,915,027	-	7,648	10,447,868
Bad debt	-	-	-	-	21,881	-	21,881
Water quality/Engineering allocation	15	43,066	34,158	17,051	408	(94,698)	-
Administrative allocation	(2,254,696)	930,846	535,310	577,348	160,884	50,308	-
Total operating expenses	<u>376,424</u>	<u>13,909,358</u>	<u>7,797,748</u>	<u>9,078,322</u>	<u>920,380</u>	<u>530,561</u>	<u>32,612,793</u>
Operating income (loss)	<u>(148,181)</u>	<u>(3,379,313)</u>	<u>(834,311)</u>	<u>(1,059,782)</u>	<u>265,073</u>	<u>16,705</u>	<u>(5,139,809)</u>
Nonoperating revenue (expense):							
Pass-through grant revenue	1,189,576	-	-	-	-	-	1,189,576
Pass-through grant expense	(1,189,576)	-	-	-	-	-	(1,189,576)
Investment income	338,124	1,412,455	100,454	387,656	743,768	-	2,982,457
Gain on sale of capital assets	83,106	262,772	772	-	-	-	346,650
Debt issuance costs	-	-	(93,280)	-	-	-	(93,280)
Interest expense	(2,873)	(544,835)	(315,123)	-	-	-	(862,831)
Total nonoperating revenue (expense)	<u>418,357</u>	<u>1,130,392</u>	<u>(307,177)</u>	<u>387,656</u>	<u>743,768</u>	<u>-</u>	<u>2,372,996</u>
Change in net position	<u>\$ 270,176</u>	<u>(2,248,921)</u>	<u>(1,141,488)</u>	<u>(672,126)</u>	<u>1,008,841</u>	<u>16,705</u>	<u>(2,766,813)</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
 Other Supplementary Information  
 Schedule of North Country Economic Development Fund Activity  
 Year ended March 31, 2024

Liability at beginning of year	\$ 10,800,488
Loan interest income	122,281
Investment interest income	168,103
Mark to market adjustment	7,029
Investment banking fees	(2,818)
Consulting fees	(8,000)
Change in liability	286,595
Liability at end of year	\$ 11,087,083
Assets restricted for North Country Economic Development:	
Investments	7,814,842
Loan interest receivable	12,365
Loans receivable	3,259,876
Total assets/liability	\$ 11,087,083

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Schedule of Expenditures of Federal Awards  
Year ended March 31, 2024

<u>Federal Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Housing and Urban Development:				
Passed through Jefferson County -				
Home Investment Partnerships Program	14.239	M19-DC360512	\$ 696,409	645,642
Passed through St. Lawrence County -				
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	1106HR309-21	417,539	337,503
Passed through Town of Gouverneur -				
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	464HR122-20	<u>208,588</u>	<u>175,770</u>
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			<u>626,127</u>	<u>513,273</u>
Total U.S. Department of Housing and Urban Development			<u>1,322,536</u>	<u>1,158,915</u>
Northern Border Regional Commission - direct recipient	90.601	NA	<u>68,997</u>	<u>30,661</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,391,533</u></u>	<u><u>1,189,576</u></u>

See accompanying notes to schedule of expenditures of federal awards.

## DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

### Notes to Schedule of Expenditures of Federal Awards

March 31, 2024

#### (1) Basis of Presentation

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).

#### (2) 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.

#### (3) Indirect Costs

The Authority does not use the 10% de minimis indirect cost rate. Indirect costs may be included in the reported expenses to the extent that they are included in the Federal financial reports used as a source for the data presented.

#### (4) Matching Costs

Matching costs such as, the Authority's share of certain program costs, are not included in the Schedule.

**INDEPENDENT AUDITORS' 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**

The Board of Directors  
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), as of and for the year ended March 31, 2024, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2024.

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 Authority'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 or significant deficiencies may exist that were not identified.

## 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Williamsville, New York  
, 2024

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

The Board of Directors  
Development Authority of the North Country:

Report on Compliance for Each Major Federal Program

Opinion on Each 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, 2024. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditors' 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 for 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.

## Auditors' Responsibility 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. 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 GAAS, 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 judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement 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 Auditors' 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.

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.

Williamsville, New York  
, 2024

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
 Schedule of Findings and Questioned Costs  
 Year ended March 31, 2024

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- |  |       |     |                      |               |
|--|-------|-----|----------------------|---------------|
| 1. Material weakness(es) identified?                     | _____ | Yes | _____ <u>x</u> _____ | No            |
| 2. Significant deficiency(ies) identified?               | _____ | Yes | _____ <u>x</u> _____ | None reported |
| 3. Noncompliance material to financial statements noted? | _____ | Yes | _____ <u>x</u> _____ | No            |

Federal Awards:

Internal control over major programs:

- |  |       |     |                      |               |
|--|-------|-----|----------------------|---------------|
| 4. Material weakness(es) identified?       | _____ | Yes | _____ <u>x</u> _____ | No            |
| 5. Significant deficiency(ies) identified? | _____ | Yes | _____ <u>x</u> _____ | None reported |

Type of auditors' report issued on compliance for the major program:

Unmodified

- |  |       |     |                      |    |
|--|-------|-----|----------------------|----|
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? | _____ | Yes | _____ <u>x</u> _____ | No |
|--|-------|-----|----------------------|----|

7. The Authority's major program audited was:

Name of Federal Program

Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Assistance Listing  
Number

14.228

- |   |       |     |                      |    |
|---|-------|-----|----------------------|----|
| 8. Dollar threshold used to distinguish between Type A and Type B programs. | _____ | Yes | _____ <u>x</u> _____ | No |
|---|-------|-----|----------------------|----|

\$750,000

- |   |                      |     |       |    |
|---|----------------------|-----|-------|----|
| 9. Auditee qualified as low-risk auditee? | _____ <u>x</u> _____ | Yes | _____ | No |
|---|----------------------|-----|-------|----|

Part II - FINANCIAL STATEMENTS FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
Status of Prior Year Audit Findings  
Year ended March 31, 2024

There were no audit findings in the prior year financial statements (March 31, 2023).

DEVELOPMENT AUTHORITY  
OF THE NORTH COUNTRY

Regional Waterline Capital and  
Operating Reserve Funding Analysis

Independent Accountants' Report  
on Applying Agreed-Upon Procedures

March 31, 2024

DRAFT

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

The Board of Directors  
Development Authority of the North Country:

We have performed the procedures enumerated below on the Regional Waterline Capital and Operating Reserve Funding Analysis (the Analysis) of the Development Authority of the North Country (the Authority) for the year ended March 31, 2024. The Authority's management is responsible for the Analysis.

The Authority's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the 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 findings are as follows:

- 1) We obtained the Analysis for the year ended March 31, 2024 as attached in Exhibit 1.  
We noted no exceptions as a result of this procedure. See Exhibit 1.
- 2) We recalculated the revenue (billings) recognized in the Analysis in total. For the capital component, we compared 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 published by the Authority.  
We 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 2023 through March 2024. We then traced the water flows charged to the customer on the related billing document to the water flow logs. We also recalculated 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 haphazardly selected a sample of 20 expenses charged to the Regional Waterline and obtained the related invoices to determine whether the expense was an expense of the Regional Waterline.

Our sample represented \$158,037 of expenses.

We noted no exceptions as a result of this procedure.

- 5) We inspected the principal payments made on the Regional Waterline debt for the year ended March 31, 2024 and agreed total principal payments to the Analysis.

We noted no exceptions as a result of this procedure.

- 6) We inspected the interest payments made on the Regional Waterline debt for the year ended March 31, 2024 and agreed total interest payments to the Analysis.

We noted no exceptions as a result of this procedure.

- 7) We reconciled Regional Waterline capital costs to the capital 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 procedure engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and we did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Analysis. Accordingly, we do not express such an opinion or conclusion. 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 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.

Williamsville, New York  
, 2024

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
 Regional Waterline - Capital and Operating Reserve Funding  
 Year ended March 31, 2024

	<u>Capital</u>	<u>Operating</u>	<u>Total</u>
Reserves held at March 31, 2023	\$ 201,255	62,625	263,880
Billings	271,130	104,575	375,705
Interest income and miscellaneous income	23,031	-	23,031
Expenses	(160,981)	(118,344)	(279,325)
Interest expense	(51,269)	-	(51,269)
Principal payment	(81,476)	-	(81,476)
Capital costs	<u>(14,360)</u>	<u>-</u>	<u>(14,360)</u>
Change in reserves	(13,925)	(13,769)	(27,694)
Transfer to offset losses	<u>(13,769)</u>	<u>13,769</u>	<u>-</u>
Net change in reserve	<u>(27,694)</u>	<u>-</u>	<u>(27,694)</u>
Reserves held at March 31, 2024	\$ <u>173,561</u>	<u>62,625</u>	<u>236,186</u>

## INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE

The Board of Directors  
Development Authority of the North Country:

### Report on Investment Compliance

#### Opinion on Investment Compliance

We have audited the Development Authority of the North Country (the Authority), with the types of compliance requirements identified as subject to audit with Section 2935(3)(f) of the New York State Public Authorities Law for the year ended March 31, 2024.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above for the year ended March 31, 2024.

#### Basis for Opinion Investment Compliance

We conducted our audit of compliance 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 Investment 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 investment compliance. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Investment Compliance

Management is responsible for compliance with the requirements of referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations and rules applicable to the Authority's investments.

## Auditor's Responsibilities for the Audit of Investment 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. 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 GAAS and Government Auditing Standards, 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 investment compliance.

In performing an audit in accordance with GAAS and Government Auditing Standards, 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 investment 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 investment compliance but not for the purpose of expressing an opinion on the effectiveness of 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, investment noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement 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 investment compliance that is less severe than a material weakness in internal control over investment compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over investment compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Investment Compliance section above and was not designed to identify all deficiencies in internal control over investment compliance that might be material weaknesses or significant deficiencies in internal control over investment compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over investment compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over investment compliance may exist that were not identified.

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

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

Williamsville, New York  
, 2024

## REPORT TO THE BOARD

, 2024

The Board of Directors  
Development Authority of the North Country

Dear Board Members:

We have audited the financial statements of the Development Authority of the North Country (the Authority) for the year ended March 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in note 1 to the financial statements. As discussed in note 1(w) to the financial statements, the Authority adopted Governmental Accounting Standards Board Statement No. 96 - "Subscription-Based Information Technology Arrangements," during the year ended March 31, 2024. 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.

Accounting Estimates

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.

For the year ended March 31, 2024, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

### Significant Disclosures

The financial statement disclosures are neutral, consistent and clear.

### Difficulties Encountered in Performing the Audit

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

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter.

### 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 auditors' 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.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to our appointment 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 appointment.

Other Matters

We applied certain limited procedures to the 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 other supplementary information which accompanies the financial statements, but is not RSI. With respect to the supplementary information accompanying the financial statements, 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, 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.

\* \* \* \* \*

This information is intended solely for the use of the Board of Directors and management of the Development Authority of the North Country and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

EFPR GROUP, CPAs, PLLC





**Board Resolution No. 2024-06-47**  
**June 27, 2024**

**APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT,  
AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS  
FOR FISCAL YEAR ENDING MARCH 31, 2024**

Whereas, the Development Authority of the North Country appointed the accounting firm of EFPR CPAs, PLLC, 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, 2024, and

Whereas, EFPR CPAs, PLLC, has completed all necessary procedures in compliance with Generally Accepted Auditing Standards and have issued an unmodified opinion on the financial statements, and

Whereas, EFPR CPAs, PLLC, 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, EFPR CPAs, PLLC, 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, EFPR CPAs, PLLC, 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, 2024 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, 2024.**





**Board Resolution No. 2024-06-48**  
**June 27, 2024**

**APPROVING THE ASSESSMENT OF THE EFFECTIVENESS  
OF INTERNAL CONTROLS OF THE DEVELOPMENT AUTHORITY OF  
THE NORTH COUNTRY FOR FISCAL YEAR 2024**

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 2024 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 2024.**

## **Assessment of the Effectiveness of Internal Controls – FY 2024**

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, 2024.

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. 2024-06-49**  
**June 27, 2024**

**APPROVING ANNUAL BOND SALES REPORT  
FOR FISCAL YEAR ENDING MARCH 31, 2024**

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, 2024, 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, 2024, attached hereto and incorporated in this Resolution.**

**Development Authority of the North Country  
Annual Bond Sales Report  
Fiscal Year Ended March 31, 2024**

**Issuances**

<b><u>Bond/Note 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>
AWL Drinking Water Facility Note	6/1/2023	\$12,485,771	3.20%	3.175%	NA	Private Placement	6/1/2028
ASL Sewer Revenue Note	9/1/2023	\$11,000,000	6.716%	6.716%	NA	Private Placement	9/1/2025
Telecom Letter of Credit	12/20/2023	\$3,636,938	1.25%	1.25%	NA	Private Placement	12/20/2024 with one year auto renewals

**Outstanding Bonds as of March 31, 2024**

<b><u>Bond Issue</u></b>	<b><u>Balance @ 3/31/24</u></b>	<b><u>Maturity</u></b>
Series 2019 SWMF Revenue Bonds	\$ 9,695,000	2044
Series 2015 SWMF Revenue Bonds	\$ 6,445,000	2040

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Tuesday, April 30, 2024**

	<u>YTD ACTUAL</u>	<u>3/31/2024 Total</u>
<b>STATEMENT OF NET POSITION</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$6,006,225.42	\$6,067,488.46
Accounts Receivable	3,536,255.53	3,208,620.84
Unbilled Revenue	379,738.78	612,707.45
Interest Receivable	189,527.07	213,335.41
Loans Receivable, net	33,041,947.01	32,746,122.74
Inventory	18,462.41	18,462.41
Prepaid Expense	573,505.92	637,294.13
Investments	14,212,669.03	14,755,025.39
Funds Held In Trust	986,534.10	885,207.58
OPEB Reserve Fund	5,860,066.32	5,854,813.97
Restricted Assets	86,989,918.42	86,624,366.83
Leased Property	19,950.00	20,781.25
Operating Lease ROU/SUB Assets, Net	268,108.64	268,108.64
Capital Assets, net	88,432,130.34	88,912,234.71
<b>Total Assets</b>	<b>240,515,038.99</b>	<b>240,824,569.81</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	3,494,419.00	3,494,419.00
OPEB	198,029.00	198,029.00
Total Deferred Outflows of Resources	3,692,448.00	3,692,448.00
<b>TOTAL ASSETS PLUS DEFERRED OUTFLOWS</b>	<b>244,207,486.99</b>	<b>244,517,017.81</b>
<b>LIABILITIES</b>		
Accounts Payable	1,047,363.29	1,947,330.20
Grants & Passthroughs Payable	815,777.61	751,086.61
Community Benefits Payable	74,876.65	188,092.68
Interest Payable	339,196.65	264,774.78
Accrued Expenses	718,022.83	660,758.00
OPEB Liability	4,767,655.10	4,728,237.44
Net Pension Liability	4,365,120.00	4,365,120.00
Unearned Income	7,903,510.97	7,923,346.34
Lease Obligation	19,950.00	20,781.25
Current Portion of Oper Lease/SUB Liability	264,295.94	264,295.94
Funds Held for Others	11,087,083.08	11,087,083.08
Due to US ARMY	749,985.00	749,985.00
Landfill Closure & Post Closure	18,061,620.57	17,926,450.67
Long-term Liabilities	35,041,730.29	34,358,061.77
<b>Total Liabilities</b>	<b>85,256,187.98</b>	<b>85,235,403.76</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	269,550.00	269,550.00
OPEB	2,035,355.00	2,035,355.00
Total Deferred Inflows of Resources	2,304,905.00	2,304,905.00
<b>TOTAL LIABILITIES PLUS DEFERRED INFLOWS</b>	<b>87,561,092.98</b>	<b>87,540,308.76</b>
<b>NET POSITION</b>		
Invested In Capital Assets, Net	54,754,400.26	55,918,173.15
Restricted for:		
Community Rental Housing Program	13,389,618.59	13,369,120.20
Community Development Loan Fund	10,181,623.35	10,175,162.63
Affordable Housing Program	22,640,082.20	22,661,333.44
Army Water & Sewer	1,800,000.00	1,800,000.00
Regional Waterline	377,189.88	377,189.88
Reserve For Liner	15,900,775.08	15,705,312.70
Reserve for Replacement	5,244,169.56	4,639,425.31
Reserve For Wetland Mitigation	326,284.21	325,942.58
OATN Reserve	4,534,477.77	4,506,052.82
Landfill Closure & Post Closure Prefunding	8,173,306.99	8,186,837.52
<b>Total Restricted</b>	<b>82,567,527.63</b>	<b>81,746,377.08</b>
Board Designated for:		
Infrastructure Development	223,107.42	223,107.42
Capital Reserve	217,337.27	691,330.77
Tip Fee Stabilization	3,108,134.27	3,103,795.56
Landfill Gas Reserve	1,350,770.55	1,359,889.06
Economic Development Fund	5,369,383.73	5,352,962.22
Affordable Housing Program	3,000,000.00	3,000,000.00
Supplemental Insurance / Admin. Reserve	4,000,000.00	4,000,000.00
<b>Total Board Designated</b>	<b>17,268,733.24</b>	<b>17,731,085.03</b>
Undesignated	2,055,732.88	1,581,073.79
<b>Total Net Position</b>	<b>156,646,394.01</b>	<b>156,976,709.05</b>
<b>Total Liabilities, Deferred Outflows &amp; Net Position</b>	<b>244,207,486.99</b>	<b>244,517,017.81</b>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Tuesday, April 30, 2024**

	<u>YTD ACTUAL</u>	<u>3/31/2024 Total</u>
<b><u>CHANGE IN NET POSITION</u></b>		
<b>OPERATING REVENUE:</b>		
Customer Billings	2,265,953.68	24,398,383.84
Grant Revenue	0.00	1,854,058.75
Loan Interest Income	37,891.68	458,660.22
Other Income	77,316.70	712,173.80
<b>Total Operating Revenue</b>	<b>2,381,162.06</b>	<b>27,423,276.61</b>
<b>OPERATING EXPENSES</b>		
Depreciation & Amortization	905,166.01	10,447,867.31
Salaries	580,499.56	7,213,316.03
Fringe Benefits	266,419.72	3,571,237.32
Operation & Maintenance	306,792.25	3,276,603.46
Waste Diversion	0.00	549,369.72
Wastewater Treatment	168,257.29	1,779,448.24
Closure & Post Closure Costs	136,459.90	1,266,768.14
Community Benefits	72,637.59	1,040,863.40
Water Purchases	73,022.25	738,869.25
Office & Administration	51,794.58	396,178.38
Insurance	53,316.68	599,899.54
Utilities	4,572.74	179,229.38
Bad Debt Expense	6,829.75	(27,825.86)
Materials & Supplies	1,725.98	318,454.42
Professional Fees	524.50	204,582.51
Repairs & Maintenance	6,855.07	159,289.24
Automobile	32,958.63	418,993.64
Computer Expenses	76,288.11	310,815.17
NYS Administrative Assessment	0.00	122,000.00
<b>Total Operating Expenses</b>	<b>2,744,120.61</b>	<b>32,565,959.29</b>
<b>Total Operating Income</b>	<b>(362,958.55)</b>	<b>(5,142,682.68)</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>		
Interest Income	121,770.56	2,982,456.90
Gain on Sale of Fixed Assets	1,000.00	263,649.85
Gain on Trade-In of Fixed Assets	0.00	83,000.00
Interest Expense	(90,127.05)	(859,958.02)
Debt Issuance Costs	0.00	(93,280.00)
<b>Total Non-Operating Expense, Net</b>	<b>32,643.51</b>	<b>2,375,868.73</b>
<b>CHANGE IN NET ASSETS</b>	<b>(330,315.04)</b>	<b>(2,766,813.95)</b>

**DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**  
**For the One Month Ending Tuesday, April 30, 2024**

	ADMIN	MATERIALS MGMT	TELECOM	ARMY SEWER	ARMY WATER	REGIONAL WATER	WQ CONTRACTS	ENGINEERING	REGIONAL DEVELOPMENT	TOTAL
<b>STATEMENT OF NET POSITION</b>										
<b>ASSETS</b>										
Cash and Cash Equivalents	\$6,006,225.42									\$6,006,225.42
Accounts Receivable	(1,405.25)	1,084,195.66	1,681,788.88	141,676.90	181,839.03	97,816.26	114,104.83	111,138.10	125,101.12	3,536,255.53
Unbilled Revenue				73,763.37	14,785.93	32,537.12	153,910.48	64,522.94	40,218.94	379,738.78
Interest Receivable	11,194.68	50,471.38	37,504.81						90,356.20	189,527.07
Loans Receivable, net									33,041,947.01	33,041,947.01
Inventory		18,462.41							18,462.41	18,462.41
Prepaid Expense	505,288.67		68,217.25							573,505.92
Investments	2,674,215.23	4,233,536.19	2,091,095.05						5,213,822.56	14,212,669.03
Funds Held In Trust		986,534.10								986,534.10
OPEB Reserve Fund	5,860,066.32									5,860,066.32
Restricted Assets		46,343,050.47	9,187,101.19	1,817,700.52	991,473.03	523,982.69			28,126,610.52	86,989,918.42
Leased Property									19,950.00	19,950.00
Operating Lease ROU/SUB Assets, Net	268,108.64									268,108.64
Capital Assets, net	981,987.99	40,414,987.49	22,938,332.65	6,994,067.25	14,466,708.79	2,636,046.17				88,432,130.34
<b>Total Assets</b>	<b>16,305,681.70</b>	<b>93,131,237.70</b>	<b>36,004,039.83</b>	<b>9,027,208.04</b>	<b>15,654,806.78</b>	<b>3,290,382.24</b>	<b>268,015.31</b>	<b>175,661.04</b>	<b>66,658,006.35</b>	<b>240,515,038.99</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Pension	3,494,419.00									3,494,419.00
OPEB	198,029.00									198,029.00
Total Deferred Outflows of Resources	3,692,448.00									3,692,448.00
<b>TOTAL ASSETS PLUS DEFERRED...</b>	<b>19,998,129.70</b>	<b>93,131,237.70</b>	<b>36,004,039.83</b>	<b>9,027,208.04</b>	<b>15,654,806.78</b>	<b>3,290,382.24</b>	<b>268,015.31</b>	<b>175,661.04</b>	<b>66,658,006.35</b>	<b>244,207,486.99</b>
<b>LIABILITIES</b>										
Accounts Payable	441,202.23	75,307.63	73,566.96	283,137.98	140,142.05	34,006.44				1,047,363.29
Grants & Passthroughs Payable	13,529.75	130.00	783,316.10						18,801.76	815,777.61
Community Benefits Payable		74,876.65								74,876.65
Interest Payable		160,212.64			178,984.01					339,196.65
Accrued Expenses	370,138.25	106,354.83	127,673.45	14,006.02	16,012.79	852.54	47,511.23	35,473.72		718,022.83
OPEB Liability	4,767,655.10									4,767,655.10
Net Pension Liability	4,365,120.00									4,365,120.00
Unearned Income			7,601,510.97						302,000.00	7,903,510.97
Lease Obligation									19,950.00	19,950.00
Current Portion of Oper Lease/SUB Lia...	264,295.94									264,295.94
Funds Held for Others				749,985.00					11,087,083.08	11,087,083.08
Due to US ARMY										749,985.00
Landfill Closure & Post Closure		18,061,620.57								18,061,620.57
Long-term Liabilities	764,000.00	17,277,145.48		3,910,621.66	11,107,990.50	1,381,972.65			600,000.00	35,041,730.29
Internal: Due To/Due From	832,056.73	383,730.34	510,089.53	(1,969,338.91)	35,300.47	(7,785.75)	(14,489.50)	129,212.08		101,225.01
Total Liabilities	11,817,998.00	36,139,378.14	9,096,157.01	2,988,411.75	11,478,429.82	1,409,045.88	33,021.73	164,685.80	12,129,059.85	85,256,187.98
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Pension	269,550.00									269,550.00
OPEB	2,035,355.00									2,035,355.00
Total Deferred Inflows of Resources	2,304,905.00									2,304,905.00
<b>TOTAL LIABILITIES PLUS DEFERR...</b>	<b>14,122,903.00</b>	<b>36,139,378.14</b>	<b>9,096,157.01</b>	<b>2,988,411.75</b>	<b>11,478,429.82</b>	<b>1,409,045.88</b>	<b>33,021.73</b>	<b>164,685.80</b>	<b>12,129,059.85</b>	<b>87,561,092.98</b>
<b>NET POSITION</b>										
Invested In Capital Assets, Net	981,987.99	23,137,842.22	22,938,332.65	3,083,445.59	3,358,718.29	1,254,073.52				54,754,400.26
Restricted for:										
Community Rental Housing Program									13,389,618.59	13,389,618.59
Community Development Loan Fund									10,181,623.35	10,181,623.35
Affordable Housing Program									22,640,082.20	22,640,082.20
Army Water & Sewer				900,000.00	900,000.00					1,800,000.00
Regional Waterline						377,189.88				377,189.88
Reserve For Liner		15,900,775.08								15,900,775.08
Reserve for Replacement		5,244,169.56								5,244,169.56
Reserve For Wetland Mitigation		326,284.21								326,284.21
OATN Reserve			4,534,477.77							4,534,477.77
Landfill Closure & Post Closure Prefund...		8,173,306.99								8,173,306.99
Total Restricted		29,644,535.84	4,534,477.77	900,000.00	900,000.00	377,189.88			46,211,324.14	82,567,527.63
Board Designated for:										
Infrastructure Development				223,107.42						223,107.42
Capital Reserve				217,337.27						217,337.27
Tip Fee Stabilization		3,108,134.27								3,108,134.27
Landfill Gas Reserve		1,350,770.55								1,350,770.55
Economic Development Fund									5,369,383.73	5,369,383.73
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	4,458,904.82		440,444.69					8,369,383.73	17,268,733.24
Undesignated	893,238.71	(249,423.32)	(564,927.60)	1,614,906.01	(82,341.33)	250,072.96	234,993.58	10,975.24	(51,761.37)	2,055,732.88
Total Net Position	5,875,226.70	56,991,859.56	26,907,882.82	6,038,796.29	4,176,376.96	1,881,336.36	234,993.58	10,975.24	54,528,946.50	156,646,394.01
<b>Total Liabilities, Deferred Outflows...</b>	<b>19,998,129.70</b>	<b>93,131,237.70</b>	<b>36,004,039.83</b>	<b>9,027,208.04</b>	<b>15,654,806.78</b>	<b>3,290,382.24</b>	<b>268,015.31</b>	<b>175,661.04</b>	<b>66,658,006.35</b>	<b>244,207,486.99</b>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY  
For the One Month Ending Tuesday, April 30, 2024

	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		932,177.30	584,054.23	161,256.70	319,530.16	32,537.12	153,866.48	58,706.69	23,825.00	2,265,953.68
Loan Interest Income									37,891.68	37,891.68
Other Income	23,600.01	34,742.60	381.51	300.83					18,291.75	77,316.70
<b>Total Operating Revenue</b>	<b>23,600.01</b>	<b>966,919.90</b>	<b>584,435.74</b>	<b>161,557.53</b>	<b>319,530.16</b>	<b>32,537.12</b>	<b>153,866.48</b>	<b>58,706.69</b>	<b>80,008.43</b>	<b>2,381,162.06</b>
<b>OPERATING EXPENSES</b>										
Depreciation & Amortization	20,448.75	439,533.07	347,151.22	25,560.77	58,537.09	13,935.11				905,166.01
Salaries	106,526.04	132,440.70	131,330.36	36,283.16	32,553.52	3,519.33	87,153.31	27,983.44	22,709.70	580,499.56
Fringe Benefits	51,927.65	66,300.62	49,005.96	14,297.45	15,905.38	1,175.48	45,682.23	11,450.86	10,674.09	266,419.72
Operation & Maintenance	210.37	42,101.66	253,239.70	6,907.48			375.35	3,957.69		306,792.25
Wastewater Treatment		50,000.00		118,257.29						168,257.29
Closure & Post Closure Costs		136,459.90								136,459.90
Community Benefits		72,637.59								72,637.59
Water Purchases					64,135.87	8,886.38				73,022.25
Office & Administration	34,854.13	11,223.42	1,735.29	3,691.96			113.95	155.83	20.00	51,794.58
Insurance	1,800.00	21,291.67	16,116.67	4,966.67	3,225.00	575.00	3,866.67	1,475.00		53,316.68
Utilities		3,073.44	28.89	28.99		1,441.42				4,572.74
Bad Debt Expense			978.01						5,851.74	6,829.75
Materials & Supplies		1,725.98								1,725.98
Professional Fees	158.00	219.00	147.50							524.50
Repairs & Maintenance		114.56		5,295.51	1,445.00					6,855.07
Automobile	30.99	2,740.99	5,963.47	22,673.48				1,549.70		32,958.63
Computer Expenses	44,863.50	954.60	131.69					30,338.32		76,288.11
Admin Allocation	(230,646.48)	93,734.73	57,315.65	33,236.16	20,942.70	1,591.46	3,805.67	4,797.45	15,222.66	
Engineering Allocation		16,223.94	7,552.89	3,380.82	3,224.59	136.31	437.63	(31,031.40)	75.22	
Water Quality Allocation				(16,617.55)	4,919.54	467.06	11,230.95			
<b>Total Operating Expenses</b>	<b>30,172.95</b>	<b>1,090,775.87</b>	<b>870,697.30</b>	<b>257,962.19</b>	<b>204,888.69</b>	<b>31,727.55</b>	<b>152,665.76</b>	<b>50,676.89</b>	<b>54,553.41</b>	<b>2,744,120.61</b>
<b>Total Operating Income</b>	<b>(6,572.94)</b>	<b>(123,855.97)</b>	<b>(286,261.56)</b>	<b>(96,404.66)</b>	<b>114,641.47</b>	<b>809.57</b>	<b>1,200.72</b>	<b>8,029.80</b>	<b>25,455.02</b>	<b>(362,958.55)</b>
<b>NON-OPERATING REVENUE (EX...</b>										
Interest Income	22,619.44	25,451.18	37,275.05	3,540.95	1,931.43	1,982.31			28,970.20	121,770.56
Gain on Sale of Fixed Assets	1,000.00									1,000.00
Interest Expense		(43,644.22)		(20,311.62)	(26,171.21)					(90,127.05)
<b>Total Non-Operating Expense, Net</b>	<b>23,619.44</b>	<b>(18,193.04)</b>	<b>37,275.05</b>	<b>(16,770.67)</b>	<b>(24,239.78)</b>	<b>1,982.31</b>			<b>28,970.20</b>	<b>32,643.51</b>
<b>CHANGE IN NET ASSETS</b>	<b>17,046.50</b>	<b>(142,049.01)</b>	<b>(248,986.51)</b>	<b>(113,175.33)</b>	<b>90,401.69</b>	<b>2,791.88</b>	<b>1,200.72</b>	<b>8,029.80</b>	<b>54,425.22</b>	<b>(330,315.04)</b>

**Summary of All Units  
Change In Net Position  
For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$29,138,507.00	\$2,413,289.00	\$2,265,953.68	(\$147,335.32)
	Grant Revenue	7,754,351.00	646,196.00	0.00	(646,196.00)
	Loan Interest Income	701,839.00	58,487.00	37,891.68	(20,595.32)
	Other Income	767,864.00	63,989.00	77,316.70	13,327.70
	<b>Total Operating Revenue</b>	<b>38,362,561.00</b>	<b>3,181,961.00</b>	<b>2,381,162.06</b>	<b>(800,798.94)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	12,354,296.00	886,033.00	905,166.01	19,133.01
	Amortization, Lease ROU	120,000.00	0.00	0.00	0.00
	Salaries	7,748,163.00	645,681.00	580,499.56	(65,181.44)
	Fringe Benefits	3,551,084.00	295,929.00	266,419.72	(29,509.28)
	Operation & Maintenance	3,660,107.00	305,014.00	306,792.25	1,778.25
	Waste Diversion	207,750.00	17,313.00	0.00	(17,313.00)
	Wastewater Treatment	2,019,087.00	168,257.00	168,257.29	0.29
	Closure & Post Closure Costs	1,757,503.00	146,459.00	136,459.90	(9,999.10)
	Water Purchases	903,702.00	75,309.00	73,022.25	(2,286.75)
	Community Benefits	1,189,089.00	81,797.00	72,637.59	(9,159.41)
	Office & Administration	486,834.00	50,569.00	51,794.58	1,225.58
	Insurance	639,800.00	53,318.00	53,316.68	(1.32)
	Utilities	215,500.00	17,958.00	4,572.74	(13,385.26)
	Bad Debt Expense	0.00	0.00	6,829.75	6,829.75
	Materials & Supplies	333,500.00	27,791.00	1,725.98	(26,065.02)
	Professional Fees	268,654.00	22,388.00	524.50	(21,863.50)
	Repairs & Maintenance	186,100.00	15,509.00	6,855.07	(8,653.93)
	Automobile	525,146.00	43,762.67	32,958.63	(10,804.04)
	Computer Expenses	447,542.00	37,297.00	76,288.11	38,991.11
	Grants	200,000.00	16,667.00	0.00	(16,667.00)
	Admin Allocation	0.00	1.00	0.00	(1.00)
	NYS Administrative Assessment	125,051.00	0.00	0.00	0.00
	Contingency	80,000.00	6,666.33	0.00	(6,666.33)
	<b>Total Operating Expenses</b>	<b>37,018,908.00</b>	<b>2,913,719.00</b>	<b>2,744,120.61</b>	<b>(169,598.39)</b>
	<b>Total Operating Income</b>	<b>1,343,653.00</b>	<b>268,242.00</b>	<b>(362,958.55)</b>	<b>(631,200.55)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	2,376,901.00	198,077.00	121,770.56	(76,306.44)
	Gain on Sale of Fixed Assets	149,000.00	12,417.00	1,000.00	(11,417.00)
	Gain on Trade-In of Fixed Ass...	860,000.00	71,667.00	0.00	(71,667.00)
	Interest Expense	(1,300,862.00)	(108,406.00)	(90,127.05)	18,278.95
	Debt Issuance Costs	(100,000.00)	(8,334.00)	0.00	8,334.00
	<b>Total Non-Operating Expe...</b>	<b>1,985,039.00</b>	<b>165,421.00</b>	<b>32,643.51</b>	<b>(132,777.49)</b>
	<b>CHANGE IN NET POSITION</b>	<b>3,328,692.00</b>	<b>433,663.00</b>	<b>(330,315.04)</b>	<b>(763,978.04)</b>

**Administration**  
**Change In Net Position**  
**For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Other Income	\$283,200.00	\$23,600.00	\$23,600.01	\$0.01
	<b>Total Operating Revenue</b>	<b>283,200.00</b>	<b>23,600.00</b>	<b>23,600.01</b>	<b>0.01</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	307,400.00	25,617.00	20,448.75	(5,168.25)
	Amortization, Lease ROU	120,000.00	0.00	0.00	0.00
	Salaries	1,440,305.00	120,025.00	106,526.04	(13,498.96)
	Fringe Benefits	712,044.00	59,338.00	51,927.65	(7,410.35)
	Operation & Maintenance	7,443.00	621.00	210.37	(410.63)
	Office & Administration	153,001.00	22,748.00	34,854.13	12,106.13
	Insurance	21,600.00	1,800.00	1,800.00	0.00
	Professional Fees	118,565.00	9,880.00	158.00	(9,722.00)
	Automobile	1,026.00	86.00	30.99	(55.01)
	Computer Expenses	304,516.00	25,377.00	44,863.50	19,486.50
	Admin Allocation	(2,534,259.00)	(211,188.00)	(230,646.48)	(19,458.48)
	Contingency	30,000.00	2,500.00	0.00	(2,500.00)
	<b>Total Operating Expenses</b>	<b>681,641.00</b>	<b>56,804.00</b>	<b>30,172.95</b>	<b>(26,631.05)</b>
	<b>Total Operating Income</b>	<b>(398,441.00)</b>	<b>(33,204.00)</b>	<b>(6,572.94)</b>	<b>26,631.06</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	301,595.00	25,133.00	22,619.44	(2,513.56)
	Gain on Sale of Fixed Assets	104,000.00	8,667.00	1,000.00	(7,667.00)
	<b>Total Non-Operating Expe...</b>	<b>405,595.00</b>	<b>33,800.00</b>	<b>23,619.44</b>	<b>(10,180.56)</b>
	<b>CHANGE IN NET POSITION</b>	<b>7,154.00</b>	<b>596.00</b>	<b>17,046.50</b>	<b>16,450.50</b>

**Materials Management**  
**Change In Net Position**  
**For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$12,282,557.00	\$1,008,626.00	\$932,177.30	(\$76,448.70)
	Grant Revenue	150,351.00	12,529.00	0.00	(12,529.00)
	Other Income	441,629.00	36,802.00	34,742.60	(2,059.40)
	<b>Total Operating Revenue</b>	<b>12,874,537.00</b>	<b>1,057,957.00</b>	<b>966,919.90</b>	<b>(91,037.10)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	6,121,400.00	444,012.00	439,533.07	(4,478.93)
	Salaries	1,805,214.00	150,435.00	132,440.70	(17,994.30)
	Fringe Benefits	881,776.00	73,482.00	66,300.62	(7,181.38)
	Operation & Maintenance	1,161,003.00	96,752.00	42,101.66	(54,650.34)
	Waste Diversion	207,750.00	17,313.00	0.00	(17,313.00)
	Wastewater Treatment	600,000.00	50,000.00	50,000.00	0.00
	Closure & Post Closure Costs	1,757,503.00	146,459.00	136,459.90	(9,999.10)
	Community Benefits	981,563.00	81,797.00	72,637.59	(9,159.41)
	Office & Administration	92,241.00	7,688.00	11,223.42	3,535.42
	Insurance	255,500.00	21,292.00	21,291.67	(0.33)
	Utilities	90,000.00	7,500.00	3,073.44	(4,426.56)
	Materials & Supplies	333,500.00	27,791.00	1,725.98	(26,065.02)
	Professional Fees	54,102.00	4,509.00	219.00	(4,290.00)
	Repairs & Maintenance	13,600.00	1,133.00	114.56	(1,018.44)
	Automobile	32,800.00	2,733.67	2,740.99	7.32
	Computer Expenses	27,195.00	2,267.00	954.60	(1,312.40)
	Admin Allocation	1,029,777.00	85,815.00	93,734.73	7,919.73
	Engineering Allocation	50,624.00	4,219.00	16,223.94	12,004.94
	NYS Administrative Assessment	54,216.00	0.00	0.00	0.00
	Contingency	25,000.00	2,083.33	0.00	(2,083.33)
	<b>Total Operating Expenses</b>	<b>15,574,764.00</b>	<b>1,227,281.00</b>	<b>1,090,775.87</b>	<b>(136,505.13)</b>
	<b>Total Operating Income</b>	<b>(2,700,227.00)</b>	<b>(169,324.00)</b>	<b>(123,855.97)</b>	<b>45,468.03</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	1,138,309.00	94,860.00	25,451.18	(69,408.82)
	Gain on Sale of Fixed Assets	45,000.00	3,750.00	0.00	(3,750.00)
	Gain on Trade-In of Fixed Ass...	860,000.00	71,667.00	0.00	(71,667.00)
	Interest Expense	(582,200.00)	(48,517.00)	(43,644.22)	4,872.78
	<b>Total Non-Operating Expe...</b>	<b>1,461,109.00</b>	<b>121,760.00</b>	<b>(18,193.04)</b>	<b>(139,953.04)</b>
	<b>CHANGE IN NET POSITION</b>	<b>(1,239,118.00)</b>	<b>(47,564.00)</b>	<b>(142,049.01)</b>	<b>(94,485.01)</b>

**Telecommunications**  
**Change In Net Position**  
**For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$6,533,703.00	\$544,475.00	\$584,054.23	\$39,579.23
	Grant Revenue	2,450,000.00	204,167.00	0.00	(204,167.00)
	Other Income	12,000.00	1,000.00	381.51	(618.49)
	<b>Total Operating Revenue</b>	<b>8,995,703.00</b>	<b>749,642.00</b>	<b>584,435.74</b>	<b>(165,206.26)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	4,393,100.00	306,400.00	347,151.22	40,751.22
	Salaries	1,698,786.00	141,566.00	131,330.36	(10,235.64)
	Fringe Benefits	612,163.00	51,015.00	49,005.96	(2,009.04)
	Operation & Maintenance	2,110,791.00	175,900.00	253,239.70	77,339.70
	Office & Administration	77,239.00	6,436.00	1,735.29	(4,700.71)
	Insurance	193,400.00	16,117.00	16,116.67	(0.33)
	Utilities	5,500.00	458.00	28.89	(429.11)
	Bad Debt Expense	0.00	0.00	978.01	978.01
	Professional Fees	40,383.00	3,366.00	147.50	(3,218.50)
	Automobile	87,760.00	7,314.00	5,963.47	(1,350.53)
	Computer Expenses	39,565.00	3,297.00	131.69	(3,165.31)
	Admin Allocation	629,714.00	52,476.00	57,315.65	4,839.65
	Engineering Allocation	18,555.00	1,546.00	7,552.89	6,006.89
	NYS Administrative Assessment	29,991.00	0.00	0.00	0.00
	Contingency	25,000.00	2,083.00	0.00	(2,083.00)
	<b>Total Operating Expenses</b>	<b>9,961,947.00</b>	<b>767,974.00</b>	<b>870,697.30</b>	<b>102,723.30</b>
	<b>Total Operating Income</b>	<b>(966,244.00)</b>	<b>(18,332.00)</b>	<b>(286,261.56)</b>	<b>(267,929.56)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	269,397.00	22,450.00	37,275.05	14,825.05
	<b>Total Non-Operating Expe...</b>	<b>269,397.00</b>	<b>22,450.00</b>	<b>37,275.05</b>	<b>14,825.05</b>
	<b>CHANGE IN NET POSITION</b>	<b>(696,847.00)</b>	<b>4,118.00</b>	<b>(248,986.51)</b>	<b>(253,104.51)</b>

**Water Quality**  
**Change In Net Position**  
**For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$9,424,252.00	\$785,355.00	\$667,190.46	(\$118,164.54)
	Grant Revenue	5,000,000.00	416,667.00	0.00	(416,667.00)
	Other Income	3,610.00	301.00	300.83	(0.17)
	<b>Total Operating Revenue</b>	<b>14,427,862.00</b>	<b>1,202,323.00</b>	<b>667,491.29</b>	<b>(534,831.71)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	1,532,396.00	110,004.00	98,032.97	(11,971.03)
	Salaries	2,180,853.00	181,738.00	159,509.32	(22,228.68)
	Fringe Benefits	1,086,919.00	90,577.00	77,060.54	(13,516.46)
	Operation & Maintenance	226,120.00	18,845.00	7,282.83	(11,562.17)
	Wastewater Treatment	1,419,087.00	118,257.00	118,257.29	0.29
	Water Purchases	903,702.00	75,309.00	73,022.25	(2,286.75)
	Office & Administration	116,191.00	9,682.00	3,805.91	(5,876.09)
	Insurance	151,600.00	12,634.00	12,633.34	(0.66)
	Utilities	120,000.00	10,000.00	1,470.41	(8,529.59)
	Professional Fees	6,400.00	533.00	0.00	(533.00)
	Repairs & Maintenance	172,500.00	14,376.00	6,740.51	(7,635.49)
	Automobile	379,120.00	31,593.00	22,673.48	(8,919.52)
	Computer Expenses	23,716.00	1,976.00	0.00	(1,976.00)
	Admin Allocation	654,641.00	54,554.00	59,575.99	5,021.99
	Engineering Allocation	42,221.00	3,518.00	7,179.35	3,661.35
	NYS Administrative Assessment	37,321.00	0.00	0.00	0.00
	<b>Total Operating Expenses</b>	<b>9,052,787.00</b>	<b>733,596.00</b>	<b>647,244.19</b>	<b>(86,351.81)</b>
	<b>Total Operating Income</b>	<b>5,375,075.00</b>	<b>468,727.00</b>	<b>20,247.10</b>	<b>(448,479.90)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	84,200.00	7,017.00	7,454.69	437.69
	Interest Expense	(718,662.00)	(59,889.00)	(46,482.83)	13,406.17
	Debt Issuance Costs	(100,000.00)	(8,334.00)	0.00	8,334.00
	<b>Total Non-Operating Expe...</b>	<b>(734,462.00)</b>	<b>(61,206.00)</b>	<b>(39,028.14)</b>	<b>22,177.86</b>
	<b>CHANGE IN NET POSITION</b>	<b>4,640,613.00</b>	<b>407,521.00</b>	<b>(18,781.04)</b>	<b>(426,302.04)</b>

**Army Sewer**  
**Change In Net Position**  
**For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$4,033,530.00	\$336,128.00	\$161,256.70	(\$174,871.30)
	Other Income	3,610.00	301.00	300.83	(0.17)
	<b>Total Operating Revenue</b>	<b>4,037,140.00</b>	<b>336,429.00</b>	<b>161,557.53</b>	<b>(174,871.47)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	570,300.00	31,280.00	25,560.77	(5,719.23)
	Salaries	566,711.00	47,226.00	36,283.16	(10,942.84)
	Fringe Benefits	284,481.00	23,707.00	14,297.45	(9,409.55)
	Operation & Maintenance	159,000.00	13,250.00	6,907.48	(6,342.52)
	Wastewater Treatment	1,419,087.00	118,257.00	118,257.29	0.29
	Water Purchases	4,500.00	375.00	0.00	(375.00)
	Office & Administration	104,967.00	8,746.00	3,691.96	(5,054.04)
	Insurance	59,600.00	4,967.00	4,966.67	(0.33)
	Utilities	65,000.00	5,417.00	28.99	(5,388.01)
	Professional Fees	4,156.00	346.00	0.00	(346.00)
	Repairs & Maintenance	85,000.00	7,083.00	5,295.51	(1,787.49)
	Automobile	379,120.00	31,593.00	22,673.48	(8,919.52)
	Computer Expenses	23,716.00	1,976.00	0.00	(1,976.00)
	Admin Allocation	365,269.00	30,439.00	33,236.16	2,797.16
	Engineering Allocation	14,975.00	1,248.00	3,380.82	2,132.82
	Water Quality Allocation	(389,068.00)	(32,423.00)	(16,617.55)	15,805.45
	NYS Administrative Assessment	15,922.00	0.00	0.00	0.00
	<b>Total Operating Expenses</b>	<b>3,732,736.00</b>	<b>293,487.00</b>	<b>257,962.19</b>	<b>(35,524.81)</b>
	<b>Total Operating Income</b>	<b>304,404.00</b>	<b>42,942.00</b>	<b>(96,404.66)</b>	<b>(139,346.66)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	39,800.00	3,317.00	3,540.95	223.95
	Interest Expense	(439,938.00)	(36,662.00)	(20,311.62)	16,350.38
	Debt Issuance Costs	(50,000.00)	(4,167.00)	0.00	4,167.00
	<b>Total Non-Operating Expe...</b>	<b>(450,138.00)</b>	<b>(37,512.00)</b>	<b>(16,770.67)</b>	<b>20,741.33</b>
	<b>CHANGE IN NET POSITION</b>	<b>(145,734.00)</b>	<b>5,430.00</b>	<b>(113,175.33)</b>	<b>(118,605.33)</b>

**Army Water Line  
Change In Net Position  
For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$3,006,989.00	\$250,582.00	\$319,530.16	\$68,948.16
	Grant Revenue	5,000,000.00	416,667.00	0.00	(416,667.00)
	<b>Total Operating Revenue</b>	<b>8,006,989.00</b>	<b>667,249.00</b>	<b>319,530.16</b>	<b>(347,718.84)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	779,500.00	63,508.00	58,537.09	(4,970.91)
	Salaries	558,282.00	46,524.00	32,553.52	(13,970.48)
	Fringe Benefits	272,730.00	22,727.00	15,905.38	(6,821.62)
	Operation & Maintenance	10,000.00	834.00	0.00	(834.00)
	Water Purchases	769,630.00	64,136.00	64,135.87	(0.13)
	Office & Administration	4,464.00	372.00	0.00	(372.00)
	Insurance	38,700.00	3,225.00	3,225.00	0.00
	Utilities	25,000.00	2,083.00	0.00	(2,083.00)
	Professional Fees	1,744.00	145.00	0.00	(145.00)
	Repairs & Maintenance	55,000.00	4,584.00	1,445.00	(3,139.00)
	Admin Allocation	230,106.00	19,176.00	20,942.70	1,766.70
	Engineering Allocation	14,363.00	1,197.00	3,224.59	2,027.59
	Water Quality Allocation	112,125.00	9,344.00	4,919.54	(4,424.46)
	NYS Administrative Assessment	10,308.00	0.00	0.00	0.00
	<b>Total Operating Expenses</b>	<b>2,881,952.00</b>	<b>237,855.00</b>	<b>204,888.69</b>	<b>(32,966.31)</b>
	<b>Total Operating Income</b>	<b>5,125,037.00</b>	<b>429,394.00</b>	<b>114,641.47</b>	<b>(314,752.53)</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	21,700.00	1,808.00	1,931.43	123.43
	Interest Expense	(230,268.00)	(19,189.00)	(26,171.21)	(6,982.21)
	Debt Issuance Costs	(50,000.00)	(4,167.00)	0.00	4,167.00
	<b>Total Non-Operating Expe...</b>	<b>(258,568.00)</b>	<b>(21,548.00)</b>	<b>(24,239.78)</b>	<b>(2,691.78)</b>
	<b>CHANGE IN NET POSITION</b>	<b>4,866,469.00</b>	<b>407,846.00</b>	<b>90,401.69</b>	<b>(317,444.31)</b>

**Regional Water Line  
Change In Net Position  
For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$416,090.00	\$34,675.00	\$32,537.12	(\$2,137.88)
	<b>Total Operating Revenue</b>	<b>416,090.00</b>	<b>34,675.00</b>	<b>32,537.12</b>	<b>(2,137.88)</b>
<b>OPERATING EXPENSES</b>					
	Depreciation & Amortization	182,596.00	15,216.00	13,935.11	(1,280.89)
	Salaries	35,374.00	2,948.00	3,519.33	571.33
	Fringe Benefits	17,033.00	1,419.00	1,175.48	(243.52)
	Operation & Maintenance	8,500.00	709.00	0.00	(709.00)
	Water Purchases	129,572.00	10,798.00	8,886.38	(1,911.62)
	Office & Administration	380.00	32.00	0.00	(32.00)
	Insurance	6,900.00	575.00	575.00	0.00
	Utilities	30,000.00	2,500.00	1,441.42	(1,058.58)
	Professional Fees	500.00	42.00	0.00	(42.00)
	Repairs & Maintenance	32,500.00	2,709.00	0.00	(2,709.00)
	Admin Allocation	17,445.00	1,454.00	1,591.46	137.46
	Engineering Allocation	2,258.00	188.00	136.31	(51.69)
	Water Quality Allocation	5,795.00	483.00	467.06	(15.94)
	NYS Administrative Assessment	1,870.00	0.00	0.00	0.00
	<b>Total Operating Expenses</b>	<b>470,723.00</b>	<b>39,073.00</b>	<b>31,727.55</b>	<b>(7,345.45)</b>
	<b>Total Operating Income</b>	<b>(54,633.00)</b>	<b>(4,398.00)</b>	<b>809.57</b>	<b>5,207.57</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	22,700.00	1,892.00	1,982.31	90.31
	Interest Expense	(48,456.00)	(4,038.00)	0.00	4,038.00
	<b>Total Non-Operating Expe...</b>	<b>(25,756.00)</b>	<b>(2,146.00)</b>	<b>1,982.31</b>	<b>4,128.31</b>
	<b>CHANGE IN NET POSITION</b>	<b>(80,389.00)</b>	<b>(6,544.00)</b>	<b>2,791.88</b>	<b>9,335.88</b>

**Water Sewer Contracts  
Change In Net Position  
For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$1,967,643.00	\$163,970.00	\$153,866.48	(\$10,103.52)
	<b>Total Operating Revenue</b>	<b>1,967,643.00</b>	<b>163,970.00</b>	<b>153,866.48</b>	<b>(10,103.52)</b>
<b>OPERATING EXPENSES</b>					
	Salaries	1,020,486.00	85,040.00	87,153.31	2,113.31
	Fringe Benefits	512,675.00	42,724.00	45,682.23	2,958.23
	Operation & Maintenance	48,620.00	4,052.00	375.35	(3,676.65)
	Office & Administration	6,380.00	532.00	113.95	(418.05)
	Insurance	46,400.00	3,867.00	3,866.67	(0.33)
	Admin Allocation	41,821.00	3,485.00	3,805.67	320.67
	Engineering Allocation	10,625.00	885.00	437.63	(447.37)
	Water Quality Allocation	271,148.00	22,596.00	11,230.95	(11,365.05)
	NYS Administrative Assessment	9,221.00	0.00	0.00	0.00
	<b>Total Operating Expenses</b>	<b>1,967,376.00</b>	<b>163,181.00</b>	<b>152,665.76</b>	<b>(10,515.24)</b>
	<b>Total Operating Income</b>	<b>267.00</b>	<b>789.00</b>	<b>1,200.72</b>	<b>411.72</b>
<b>NON-OPERATING REVENUE...</b>					
	<b>CHANGE IN NET POSITION</b>	<b>267.00</b>	<b>789.00</b>	<b>1,200.72</b>	<b>411.72</b>

**Engineering**  
**Change In Net Position**  
**For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$643,335.00	\$53,611.00	\$58,706.69	\$5,095.69
	<b>Total Operating Revenue</b>	<b>643,335.00</b>	<b>53,611.00</b>	<b>58,706.69</b>	<b>5,095.69</b>
<b>OPERATING EXPENSES</b>					
	Salaries	324,356.00	27,029.00	27,983.44	954.44
	Fringe Benefits	124,032.00	10,336.00	11,450.86	1,114.86
	Operation & Maintenance	119,750.00	9,979.00	3,957.69	(6,021.31)
	Office & Administration	31,137.00	2,595.00	155.83	(2,439.17)
	Insurance	17,700.00	1,475.00	1,475.00	0.00
	Professional Fees	1,000.00	83.00	0.00	(83.00)
	Automobile	24,440.00	2,036.00	1,549.70	(486.30)
	Computer Expenses	51,800.00	4,317.00	30,338.32	26,021.32
	Admin Allocation	52,672.00	4,389.00	4,797.45	408.45
	Engineering Allocation	(111,819.00)	(9,318.00)	(31,031.40)	(21,713.40)
	NYS Administrative Assessment	3,523.00	0.00	0.00	0.00
	<b>Total Operating Expenses</b>	<b>638,591.00</b>	<b>52,921.00</b>	<b>50,676.89</b>	<b>(2,244.11)</b>
	<b>Total Operating Income</b>	<b>4,744.00</b>	<b>690.00</b>	<b>8,029.80</b>	<b>7,339.80</b>
<b>NON-OPERATING REVENUE...</b>					
<b>CHANGE IN NET POSITION</b>		<b>4,744.00</b>	<b>690.00</b>	<b>8,029.80</b>	<b>7,339.80</b>

**Regional Development  
Change In Net Position  
For the One Month Ending Tuesday, April 30, 2024**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
<b>OPERATING REVENUE:</b>					
	Customer Billings	\$254,660.00	\$21,222.00	\$23,825.00	\$2,603.00
	Grant Revenue	154,000.00	12,833.00	0.00	(12,833.00)
	Loan Interest Income	701,839.00	58,487.00	37,891.68	(20,595.32)
	Other Income	27,425.00	2,286.00	18,291.75	16,005.75
	<b>Total Operating Revenue</b>	<b>1,137,924.00</b>	<b>94,828.00</b>	<b>80,008.43</b>	<b>(14,819.57)</b>
<b>OPERATING EXPENSES</b>					
	Salaries	298,649.00	24,888.00	22,709.70	(2,178.30)
	Fringe Benefits	134,150.00	11,181.00	10,674.09	(506.91)
	Operation & Maintenance	35,000.00	2,917.00	0.00	(2,917.00)
	Community Benefits	207,526.00	0.00	0.00	0.00
	Office & Administration	17,025.00	1,420.00	20.00	(1,400.00)
	Bad Debt Expense	0.00	0.00	5,851.74	5,851.74
	Professional Fees	48,204.00	4,017.00	0.00	(4,017.00)
	Computer Expenses	750.00	63.00	0.00	(63.00)
	Grants	200,000.00	16,667.00	0.00	(16,667.00)
	Admin Allocation	167,455.00	13,955.00	15,222.66	1,267.66
	Engineering Allocation	419.00	35.00	75.22	40.22
	<b>Total Operating Expenses</b>	<b>1,109,178.00</b>	<b>75,143.00</b>	<b>54,553.41</b>	<b>(20,589.59)</b>
	<b>Total Operating Income</b>	<b>28,746.00</b>	<b>19,685.00</b>	<b>25,455.02</b>	<b>5,770.02</b>
<b>NON-OPERATING REVENUE...</b>					
	Interest Income	583,400.00	48,617.00	28,970.20	(19,646.80)
	<b>Total Non-Operating Expe...</b>	<b>583,400.00</b>	<b>48,617.00</b>	<b>28,970.20</b>	<b>(19,646.80)</b>
	<b>CHANGE IN NET POSITION</b>	<b>612,146.00</b>	<b>68,302.00</b>	<b>54,425.22</b>	<b>(13,876.78)</b>



Development Authority of the North Country  
 Technical Services Summary Report  
 June 2024

**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
60	Town of Dekalb	SSA	WWTP Improvement Project SCADA Amendment 1	\$ 88,000.00	\$ 32,000.00	\$ 120,000.00	6/1/2024	12/31/2025	St. Lawrence
44	Town of Dekalb	O&M	Operations and Maintenance Service Agreement		\$ 279,861.00	\$ 279,861.00	7/1/2024	12/31/2029	St. Lawrence
44	Town of Fine	O&M	Town of Fine Water System Operation & Maintenance, GIS and SCADA Support		\$ 55,500.00	\$ 55,500.00	7/1/2024	12/31/2029	St. Lawrence
60	Village of Alexandria Bay	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 4,600.00	\$ 4,600.00	6/1/2024	5/31/2029	Jefferson
60	Village of Antwerp	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 4,600.00	\$ 4,600.00	6/1/2024	5/31/2029	Jefferson
60	Village of Canton	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 8,700.00	\$ 8,700.00	6/1/2024	5/31/2029	St. Lawrence
60	Village of Cape Vincent	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 4,600.00	\$ 4,600.00	6/1/2024	5/31/2029	Jefferson
60	Village of Chaumont	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 4,600.00	\$ 4,600.00	6/1/2024	5/31/2029	Jefferson
60	Village of Glen Park	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 4,600.00	\$ 4,600.00	6/1/2024	5/31/2029	Jefferson
60	Village of Lyons Falls	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 4,600.00	\$ 4,600.00	6/1/2024	5/31/2029	Lewis
60	Village of Port Leyden	GIS	GIS Web-Based Hosting Services Agreement (Renewed 5 year contract for services)		\$ 4,600.00	\$ 4,600.00	6/1/2024	5/31/2029	Lewis

**LEWIS COUNTY CONTRACTS**

Company	Customer	Contract Type	Description of Services/Contract Title	Current Agreement (\$)	New Agreement / Amendment (\$)	Total Agreement	Start Date	End Date	County
60	Lewis County	TSA	Former Lyons Falls School Redevelopment Amendment	\$ 8,000.00	\$ 12,000.00	\$ 20,000.00	6/1/2024	12/31/2025	Lewis

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

SUB - Subrecipient  
 TSA - Technical Services  
 WSA - Water Service Agreement

**Contract Criteria**

Board Resolution No 2021-03-63 authorized staff replacing individual resolutions and agreement with a Technical Services Summary Report for contracts meeting the following criteria:

- 1) Annual Contract amount is less than \$100K or renewal of an existing service, and
- 2) Service requested is within the Authority's Tri-County Area

Board Resolution No 2021-03-64 authorized the ED to execute GIS Contracts. The ED shall report such agreements on the Technical Services Summary Report.

Board Resolution No 2016-08-93 authorized ED to enter into contracts as the NBRC LDD in Jefferson, Lewis, St Lawrence and Franklin Counties. The ED shall report such contract to the Board





**Board Resolution No. 2024-06-50**  
**June 27, 2024**

**AUTHORIZING THE SALE OF CARBON CREDITS  
MATERIAL MANAGEMENT FACILITY**

Whereas, the Development Authority of the North Country operates the original landfill and landfill extension, located at the Materials Management Facility in Rodman, NY, and

Whereas, the Development Authority of the North Country is eligible to sell carbon credit offsets associated with the collection of landfill gas coming from the original landfill and landfill extension, and

Whereas, pursuant to Resolution No. 2021-08-109, the Board of Directors authorized the Executive Director to act on behalf of the Authority to engage in necessary professional services and pay required fees in order to register and sell carbon credit offsets associated with the collection of landfill gas, and

Whereas, pursuant to Resolution No. 2021-08-109, the Authority retained Environmental Attribute Advisors (EAA), a New York State Certified Women Business Enterprise, to provide environmental consulting services to assist in carbon offset development, registering the project for approval through the Climate Action Reserve (CAR) and placement services at a rate of 10% of each carbon credit offset sale completed, and

Whereas, EAA's principal, Denise Farrell was actively involved in selling carbon credits on behalf of the Authority from 2009 to 2011 which resulted in \$2,394,144 in revenue, and

Whereas, the Authority is in the process of submitting a final report to Climate Action Reserve (CAR) for approval of 77,517 carbon credit offsets for the period July 1, 2021 through December 31, 2021 and 131,174 carbon credit offsets for the calendar year 2022. Once approved, the 2021 and 2022 verified carbon credit offsets will be placed in an account and available for sale, and

Whereas, an activation fee of \$.22 per carbon credit offset (\$45,912) is required for the sale to commence, and

Whereas, the estimated sale price per carbon credit offset is quoted between \$3.50 to \$5.00 per credit. Vintage carbon credit offsets (older than 2023) usually sell for less, unless bundled with newer/future carbon credit offsets, and

Whereas, upon CAR's approval of the 2021 and 2022 carbon credit offsets, the Development Authority of the North Country shall commence the 2023 carbon credit offset verification process to include estimated revenue and fees associated with the verification and sale of approximately 140,000 carbon credit offsets.

Now, therefore be it

**RESOLVED**, that the Development Authority of the North Country hereby amends the FY 2025 Material Management Facility Budget to include the estimated revenue and expenditures associated with the sale of the 2021 and 2022 carbon credit offsets as well as recognize the estimated revenue and expenditures to complete the verification and sale of 2023 carbon credit offsets as follows:

<u>Revenue</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Change</u>
Carbon Credit Revenue	\$0	\$1,220,420	\$1,220,420
 <u>Expense</u>			
Carbon Credit Expense	\$0	\$ 300,000	\$ 300,000

and be it further

**RESOLVED**, that the Executive Director is hereby authorized to act on behalf of the Authority to engage in necessary professional services, pay required fees, register and sell carbon credit offsets associated with the original landfill and landfill extension, and be it further

**RESOLVED**, that the Chief Financial Officer will report the detail of such sales annually to the Authority Board of Directors once sales commence.



**Board Resolution No. 2024-06-51**  
**June 27, 2024**

**AFFORDABLE RENTAL HOUSING PROGRAM**  
**DGGL PROPERTIES LLC**  
**LOAN MODIFICATION**

Whereas, **Resolution No. 2021-06-94** authorized a loan of \$1,000,000 from the Affordable Rental Housing Program to DGGL Properties LLC for the substantial rehabilitation of 118 units of affordable rental housing in the villages of Gouverneur and Lowville, and

Whereas, **Resolution No. 2021-06-94** allowed for the assumption of existing debt of Conifer Bateman Associates by DGGL Properties LLC, and

Whereas, a condition of the assumption of the Conifer Batemen Associates debt was that DGGL Properties LLC would pay down the outstanding principal balance by \$100,000 upon conversion to permanent financing, and

Whereas, DGGL Properties LLC has struggled with lease-up as it converts a market-rate property to affordable housing having achieved the initial qualified occupancy to convert to permanent financing in December 2023 which was 10 months later than scheduled, and

Whereas, the leasing challenges resulted in less income, along with the need to pay higher costs associated with extending a letter of credit and a reduction in tax credit equity due to the inability to meet the initial qualified occupancy as planned, have all resulted in DGGL Properties LLC not having the cash resources to pay down the Conifer Batemen Associates debt, and

Whereas, the outstanding principal owed on the Conifer Bateman Associates loans are \$823,977.22, and

Whereas, all other terms and conditions of the loan will stay the same.

Now, therefore be it

**RESOLVED**, the Development Authority of the North Country does hereby modify the condition of a loan to DGGL Properties LLC to remove the condition to pay down the Conifer Bateman Associates debt by \$100,000 with all other terms and conditions remaining the same, and further be it

**RESOLVED**, the Development Authority of the North Country does hereby authorize DGGL Properties LLC to assume the outstanding principal and accrued interest of the Conifer Bateman Associates debt upon conversion to permanent financing, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documents.

## TERM SHEET

<b>BORROWER:</b>	DGGL Properties, LLC
<b>AMOUNT: NEW</b>	\$1,000,000 construction loan converted to permanent upon completion of construction
<b>AMOUNT: EXISTING</b>	approximately \$823,977.22 at 06/2024; [amount will be adjusted at permanent loan closing to include accrued interest]
<b>FUND:</b>	Affordable Rental Housing Program
<b>PURPOSE:</b>	Improvements to The Bateman and Woodcreek Villages
<b>CONSTRUCTION LOAN:</b>	\$1 million construction loan at 1%, interest only paid monthly during construction period
<b>EXISTING LOANS:</b>	\$1,000 monthly principal and interest at 1% during construction period
<b>CONVERSION TO PERMANENT:</b>	At conversion to permanent financing, the two loans are consolidated into one loan at .5% for 30 years with annual interest only payments due on 12/31
<b>COLLATERAL:</b>	Co-proportional second mortgage with approximately \$5,842,786 in NYS Housing Finance Agency sub debt on 7574 S. State Street, Lowville, NY 13367 and 1100 Larch Circle, Gouverneur, NY 13642; Assignment of Rents and Leases
<b>GUARANTORS:</b>	None
<b>CONDITIONS:</b>	1% processing fee paid on \$1,000,000 due at construction loan closing 1% processing fee paid on refinanced amount due at permanent loan closing All required permits and approvals Proof of all funding commitments DANC will accept the state's regulatory agreement for affordability in lieu of its own recorded regulatory agreement Copy of appraisals Support letter from community



**Board Resolution No. 2024-06-52**  
**June 27, 2024**

**ECONOMIC DEVELOPMENT FUND**  
**JEFFERSON COUNTY HISTORICAL SOCIETY**  
**LOAN EXTENSION**

Whereas, **Resolution No. 2021-06-95** authorized a loan of up to \$285,000 from the Economic Development Fund to the Jefferson County Historical Society to bridge New York State grant funding for improvements to their facility in Watertown, and

Whereas, **Resolution No. 2023-12-92** extended the loan for an additional 4-months to April 1, 2024, and

Whereas, the Authority has a participation loan with the Watertown Local Development Corporation which is also providing \$285,000 in construction financing, and

Whereas, the Authority is the lead lender, and

Whereas, the Jefferson County Historical Society has completed their project and is awaiting final disbursements from New York State for its grants, and

Whereas, the Jefferson County Historical Society has requested an additional 6-month extension of this loan to mature October 1, 2024, and

Whereas, all other terms and conditions of the loan will stay the same.

Now, therefore be it

**RESOLVED**, the Development Authority of the North Country does hereby extend the term of the Jefferson County Historical Society loan for an additional 6 months subject to the attached Term Sheet.

**TERM SHEET**

Borrower: Jefferson County Historical Society

Loan Fund: Economic Development Fund

Loan Amount: up to \$285,000.00

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

Rate: 1.5%, construction interest-only

Payment: Monthly interest-only

Collateral: Assignment of grant proceeds

Conditions: Watertown Local Development financing of \$285,000



**Board Resolution No. 2024-06-53**  
**June 27, 2024**

**CONSENT TO RELEASE INVESTOR MEMBER  
CARTHAGE APARTMENTS LLC**

Whereas, **Resolution No. 2007-12-08** authorized acceptance of \$600,000 from the NYS Housing Trust Fund Corporation to administer a loan of \$600,000 to Carthage Apartments LLC for the construction of 40 units of affordable housing in the Village of Carthage, and

Whereas, an additional \$300,000 was awarded through the Community Rental Housing Program to Carthage Apartments LLC for the same purpose, and

Whereas, per the loan documents, the Borrower must notify the Authority when there are changes to the ownership of the property, and

Whereas, the project initially received federal low income housing tax credits from New York State, and WNC Inc. was the investor, and

Whereas, the 15-year compliance period for the federal low income housing tax credits have ended and WNC Inc. is requesting to leave the partnership, and

Whereas, WNC's Investor Member interests will be replaced with a DiMarco family entity that has yet to be formed, and

Whereas, DiMarco Group is the property developer, and

Whereas, this is a normal situation whereby an investor leaves a partnership at the end of the first 15-year tax credit compliance period as there are no further risk or credit recapture provisions, or any future economic benefits to the investor, and

Whereas, the current principal balance on the Authority's loan is \$236,013 and the current principal balance on the NYS Housing Trust Fund loan is \$600,000 and both loans are being paid as agreed, and

Whereas, all other terms and conditions of the loans will stay the same.

Now, therefore be it

**RESOLVED, the Development Authority of the North Country does hereby consent to WNC Inc. withdrawing from Carthage Apartments LLC to be replaced by a DiMarco family entity to be formed, and subject to NYS Housing Trust Fund's similar consent.**





**Board Resolution No. 2024-06-54**  
**June 27, 2024**

**ECONOMIC DEVELOPMENT LOAN FUND**  
**CLAYTON IMPROVEMENT ASSOCIATION LTD**  
**LOAN**

Whereas, the Clayton Improvement Association (CIA) is requesting a loan of up to \$400,000 from the Economic Development Loan Fund to bridge a NYS Main Street Stabilization grant and a Northern Border Regional Commission grant to complete phase one of the redevelopment of a blighted building in downtown LaFargeville, Jefferson County, and

Whereas, the CIA is a 501(c)(3) not for profit organization, and

Whereas, the CIA meets the criteria of the Economic Development Loan Fund,  
and

Whereas, the grant funds will be used to repay the Authority loan.

Now, therefore be it

**RESOLVED, Development Authority of the North Country does hereby authorize a loan in the amount of up to \$400,000 from the Economic Development Loan Fund to Clayton Improvement Association LTD 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 further be it**

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

## TERM SHEET

Borrower:	Clayton Improvement Association
Loan Fund:	Economic Development Loan Fund
Amount:	up to \$400,000.00
Loan Term:	12 months
Loan Rate:	½ Wall Street Journal Prime Plus 1 set at closing
Loan Payment:	Monthly interest only payments
Collateral:	Assignment of grant proceeds co-proportionally with Watertown Savings Bank.
Conditions:	<ul style="list-style-type: none"><li>• Grant award letters</li><li>• If there are issues with the grant repayment, then Authority would take a lien on the building.</li><li>• Watertown Savings Bank financing of \$400,000</li><li>• All required permits and approvals</li></ul>

## Economic Development Fund

**BORROWER:** Clayton Improvement Association, Ltd.

**BUSINESS LOCATION:** 913 Strawberry Lane, Clayton, NY 13624

**PROJECT LOCATION:** 36323-36331 NYS Route 180, LaFargeville, NY

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

**OFFICERS:**

Michael Pavlot	President
Megan Kendall	Vice President
Alex Buduson	Treasurer
Elizabeth Daugherty	Secretary

**AMOUNT:** \$400,000.00

**TERM:** Revolving line of credit, 12 months

**RATE:** ½ Wall Street Journal Plus 1 fixed at closing (5.25% as of 6/14/2024)

**PAYMENTS:** Interest Only

**COLLATERAL:** Assignment of Grant Proceeds

**GUARANTORS:** None

**USE OF FUNDS:**

**SOURCES OF FUNDS**

NBRC Catalyst Grant	\$400,000
NY Main Street Stabilization Grant	\$400,000
Total Sources	\$800,000

**USES OF FUNDS**

Hazardous Materials	
Abatement/Debris Removal	\$ 800,000
Total Uses	\$800,000

*\*Authority and Watertown Savings Bank to provide \$800,000 bridge loan (50% DANC/50% WSB)*

**PROJECT:**

The Clayton Improvement Association (CIA) is requesting \$400,000 from the Authority, and has a commitment of \$400,000 from Watertown Savings Bank to complete hazardous materials abatement and debris removal located in LaFargeville as part of an overall

Clayton Improvement Association



## Economic Development Fund

downtown revitalization project. This is phase one of the project. The Authority/Bank funds will be used to bridge NYS grant funding.

CIA purchased the proposed project site in 2019. As a NYS Rural Preservation Company whose mission is to preserve rural communities, the organization purchased the building due to the location, the condition, and the potential of the building.

The building is centrally located in a small agricultural community, directly in the center of the main street with immediate proximity to the important community pillars, such as the school, the Post Office, and the feed store. The community is located a convenient distance from a major highway and 20 minutes from Fort Drum, making the community a desirable location.

The building is in poor condition after many decades of disinvestment and disrepair. Because of the dilapidated condition, only portions of the building can currently be utilized. Those portions are utilized by the US Post Office, which is essential to the community, and a local beauty salon. Substantial funding is required to renovate the building. A private investor would not take on the project due to the considerable funding required and the limited potential for return on the investment. The residents and small businesses would not be able to pay large rents to provide a return to a private investor. This is why public funding is essential and part of the reason why the CIA purchased the building.

Because of the very large size of the property, 9,240 square feet, and the central location, rehabilitating the property will have a momentous impact on the community. The newly renovated building will attract new businesses, new residents, and associated foot traffic. This will create a vibrant hub, a core of activity that will spur more activity and future development in the community.

After purchasing the building, CIA conducted a feasibility study, a hazardous materials assessment, a structural assessment, and a building utilization plan including a rehabilitation budget. Based on these assessments, CIA began applying for funding and prioritizing the work to be completed. Designs have been completed to renovate almost all aspects of the building, to include interior and exterior. The project will create 4 to 5 commercial spaces on the street level and new ADA access to all the commercial spaces. The two current commercial tenants, the Post Office and beauty salon, will remain in their newly renovated space. There will be space for 2 to 3 new small businesses. The second story will create 4 newly renovated, modern, efficient residential units. The community needs updated modern housing stock for existing and new residents. There is a need for quality housing for average income workers who are wanting to live in the area, but struggle to find affordable, quality housing. The proposed project will attract individuals, families and businesses to the community and create a central core of activity, bringing new life to the rural area. The proposed project and businesses will supplement the tax base of the municipality.

The project has received funding from NY Main Street Stabilization, NYS Empire State Development, Northern Border Regional Commission and National Grid Main Street Program. There is funding gap of \$1.14 million to complete the entire project. Therefore, the Authority is only considering funding at this time for the hazardous materials abatement and debris removal. This phase of the project will clear the spaces for phase two to begin the construction of the residential and

## Economic Development Fund

commercial spaces. There are grant funds available to be able to take out the Authority and Bank loans when this work is completed. CIA will need to bring the project back to the Authority to request additional funding if the larger project (phase two) is entirely funded.

### FINANCIALS:

#### Statement of Activities

	<b>6/30/2022</b>	<b>6/30/2023</b>	<b>4/30/2024</b>
Government grants	\$408,458	\$182,992	\$336,628
Rental revenue-NYS housing projects	\$76,069	\$79,598	\$74,767
Other rental revenue	\$136,176	\$139,295	\$97,641
Management fees	\$125,523	\$121,353	\$88,891
Investment income (loss)	(\$8,527)	\$6,688	\$9,186
Miscellaneous revenue	<u>\$36,356</u>	<u>\$36,797</u>	<u>\$30,824</u>
Total Support and Revenue	\$774,055	\$566,723	\$637,937
Expenses			
Grants paid	\$279,696	\$84,155	\$248,788
Salaries	\$281,967	\$290,407	\$257,731
Payroll taxes	\$23,916	\$23,671	\$22,332
Advertising	\$2,207	\$1,978	\$3,754
Conferences and training	\$1,761	\$105	\$8,169
Dues and subscriptions	\$2,249	\$1,449	\$6,856
Insurance	\$16,611	\$17,747	\$15,593
Interest	\$30,010	\$26,674	\$21,378
License and permits	\$0	\$50	
Miscellaneous	\$1,385	\$4,349	(\$96)
Office supplies and expense	\$12,120	\$9,077	\$15,988
Payroll processing fees	\$9,750	\$4,908	
Pest control	\$475	\$420	\$1,120
Postage	\$624	\$757	\$809
Professional fees	\$9,675	\$5,532	\$11,578
Real estate taxes	\$2,325	\$1,936	\$1,893
Repairs and maintenance	\$7,787	\$3,848	\$12,109
Snow and trash removal	\$3,523	\$4,659	\$8,087
Telephone	\$3,591	\$4,333	\$3,129
Travel and meals	\$2,688	\$3,198	\$663
Utilities	\$19,669	\$20,682	\$18,874
Depreciation	<u>\$109,792</u>	<u>\$107,323</u>	<u>          </u>
Total Expenses	\$821,821	\$617,258	\$658,755
Increase in Net Assets	(\$47,766)	(\$50,535)	(\$20,818)
Add Depreciation	\$109,792	\$107,323	\$0
Cash available for debt	\$62,026	\$56,788	(\$20,818)

## Economic Development Fund

- The historical financial information for 2022 and 2023 was from the independent audit. The interim financial information was internally prepared by the applicant. The financials also include the operations of the French Bay Elder Cottages and the LaFargeville Apartments.
- Fiscal year-end is 6/30.
- CIA programs include:
  - Rural preservation-perform housing and community renewal activities including, but are not limited to, housing rehabilitation and home buyer counseling.
  - Community service-developer and owner of Clayton Family Health Center located in Clayton. CIA leases the facility to Samaritan Medical Center under an operating lease expiring in 2029.
  - Affordable tenancy-management of several affordable housing rental properties.
  - Homeowners assistance-provide grant assistance to income eligible individuals for rehabilitation of existing homes.
- The major sources of revenue are through rental revenue and management fees. For the years ended June 30, 2023 and 2022, respectively, approximately 60% and 43% of its total support and revenue is provided from management fees and rental revenue.
- Primary expenses are Payroll and Payroll Taxes of \$314,078 in 2023 and \$305,883 in 2022, interest of \$26,674 in 2023 and \$30,010 in 2022, utilities of \$20,682 in 2023 and \$19,669 in 2022, and insurance of \$17,747 in 2023 and \$16,611 in 2022. Grants paid in 2023 were \$84,155 and in 2022 were \$279,696. Depreciation was \$107,323 in 2023 and \$109,792 in 2022.
- Cash increased by \$32,568 in 2023.
- Assuming worse case that \$800,000 is disbursed for one year at 5.25%, then CIA would owe \$42,000 in interest. CIA has sufficient cash from operations to repay the debt.

### Balance Sheet

	2022	2023	4/30/2023
Current Assets	\$778,138	\$787,468	\$631,749
Fixed Assets	\$2,715,670	\$2,608,347	\$2,849,028
Other Assets	\$0	\$0	\$0
<b>Total Assets</b>	<b>\$3,493,808</b>	<b>\$3,395,815</b>	<b>\$3,480,777</b>
Current Liabilities	\$8,744	\$45,262	\$53,106
Long-Term Liabilities	\$1,778,706	\$1,694,730	\$1,629,182
<b>Total Liabilities</b>	<b>\$1,787,450</b>	<b>\$1,739,992</b>	<b>\$1,682,288</b>
Net Assets	\$1,706,358	\$1,655,823	\$1,798,489
<b>Total Liabilities &amp; Net Assets</b>	<b>\$3,493,808</b>	<b>\$3,395,815</b>	<b>\$3,480,777</b>

- 2022 and 2023 information from FYE 2023 audit. 4/30/2024 information was internally prepared.
- Cash increased by \$32,568 in 2023 over 2022, while accounts receivable decreased by \$13,005.

## Economic Development Fund

- Fixed assets included a medical clinic facility that CIA leases to Samaritan Medical Center. The lease is through 2029. Fixed assets also include French Bay Elder Cottages and the building in LaFargeville.
- Accrued Payroll and Related Expenses increased in 2023 over 2022 by \$569. Grant received in advance was \$35,000 in 2023 and \$0 in 2022. Long-term debt decreased by \$84,069 in 2023 over 2022.
- Long-term liabilities include two USDA mortgage for the medical clinic totaling \$624,591 at FYE 2023, and a NYS SRDI loan for \$1,065,372 at 0% that balloons in October 2036 for improvements to the French Bay Elder Cottages.
- Net Assets without Donor Restrictions was \$579,259 and \$531,105 in 2022 and 2023 respectively, and Net Assets with Donor Restrictions was \$1,127,099 and \$1,124,718 in 2022 and 2023 respectively.
- In 2024 cash has decreased as they have been using their own cash to pay for work being completed in LaFargeville.

### **Credit:**

The logic score is Low Risk at 92 with an average business failure assessment. The average days beyond terms is 1. There are no collections, judgments, liens, bankruptcies, or charge offs.

### **STAFF RECOMMENDATION:**

Staff recommends a revolving line of credit loan not to exceed \$400,000 in outstanding principal at any time to Clayton Improvement Association contingent upon a \$400,000 line from Watertown Savings Bank.