



MEETING NOTICE

**Thursday, June 25, 2026
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: 814 0462 2177 Passcode: 381646

<https://us02web.zoom.us/j/81404622177?pwd=RotufXaSbezVIYhalGWCtOkaEoogGU.1>

Board Member Bibbins will be participating via Zoom at:
50 Wolf Road, Albany, New York 12205

Board Member McGrath will be participating via Zoom at:
800 Third Avenue, 12th Floor, New York, NY 10022

**The Public May View and Listen to the Meeting Live Stream at
www.danc.org.**



AGENDA
BOARD OF DIRECTORS MEETING
Thursday, June 25, 2026 – 10:30 AM
Warneck Pump Station
James W. Wright Conference Room
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 28, 2026 Board Meeting
5. Chairperson's Report
6. Executive Director's Report
7. FYE 2026 Investment Report – RBC
8. Independent Audit – EFPR Group
 - a. Resolution No. 2026-06-48, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2026
 - b. Resolution No. 2026-06-49, Approving the Assessment of the Effectiveness of Internal Controls, Development Authority of the North Country, Fiscal Year Ending March 31, 2026
 - c. Resolution No. 2026-06-50, Approving Annual Bond Sales Report, Fiscal Year Ending March 31, 2026
9. Finance Report – Chief Financial Officer

Approving Financials for the month ending April 30, 2026
10. Technical Services Summary Report – Chief Operating Officer
 - a. Approving Technical Services Summary Report
11. Materials Management
 - a. Resolution No. 2026-06-51, Capital Project Budget Amendment, Materials Management Division, FEMA Culvert & Road Repairs.

- b. Resolution No. 2026-06-52, Capital Project Budget Amendment, Materials Management Division, Various Capital Projects
- c. Resolution No. 2026-06-53, Temporary Marshaling Yard Lease, National Grid, Tax Parcel 114.00-1-64.1, Jefferson County

12. Regional Development

- a. Loan Report
- b. Resolution No. 2026-06-54, Housing Revolving Loan Fund, Brownstone Lodge LLC, Loan Modification

13. Additional Resolution

- a. Resolution No. 2026-06-55, Materials Management Facility, Leachate Treatment Project, Water Quality Improvement Project (WQIP) Grant

14. Next Meeting Date – August 27, 2026

15. Adjourn



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, May 28, 2026 – 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 28, 2026 at 10:30 AM.

Members Present

Voting

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

Non-Voting

Travis Flint
Stephen Hunt

*Attended via videoconferencing.

Members Absent

Kenneth Bibbins
Eric Virkler
Brian McGrath

Staff Present:

Carl Farone, Executive Director
Jennifer Staples, Chief Financial Officer
Carrie Tuttle, Chief Operating Officer
Stephen Bohmer, Director of Information Technology
Michelle Capone, Director of Regional Development
Thomas Haynes, Director of Engineering
Dawn Loudon, Comptroller
Brian Nutting, Director of Water Quality
Mike Schenk, Director of Communications
Shawn Thornton, Director of Materials Management
Brian Zuris, Director of Telecommunications
David Wolf, Telecommunications Strategic Advisor
Angela Marra, Executive Assistant
Tonya Watson, Administrative Associate

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm

1. Chairperson Doheny called the meeting to order at 10:31 AM.
2. Chairperson Doheny requested a roll call.
 - A quorum of voting and non-voting members was established.
3. Privilege of the Floor -
4. Upon a motion by T. Hefferon and seconded by D. Mastascusa, the minutes from the March 26, 2026 Board Meeting were unanimously approved.
5. Chairperson's Report
 - a. M. Doheny thanked Ms. Murray for her leadership over the past four years, which was not only stellar, but improved each year while she was chair as shown through the Board Evaluation Packet. Ms. Doheny presented Ms. Murray with the gift of an engraved gavel, and thanked her for her service. Ms. Murray expressed her appreciation and stated it was her honor to serve.
 - b. M. Doheny thanked the Board for completing and returning the Confidential Evaluation of Board Performance, Executive Director's Annual Performance Review, and the Disclosure of Outside Interests documentation. It is appreciated.
 - c. Our next Board Meeting will be held on June 25th at 10:30 at the James W. Wright Conference Room. The purpose of this meeting is to review and accept the Fiscal Year 2026 Audit.
 - d. M. Doheny shared that Ms. Henry submitted her resignation to the Board, and we will be commemorating her at the next meeting.
6. Executive Director's Report
 - a. Performance Measurements –

C. Farone reviewed highlights of the state required Performance Measurements Report for FY 2025-2026. He explained that the Board adopts Performance Measures, and then reports to the Board what was and was not accomplished. He noted that items in red are considered a negative, and thankfully there are only a few. He continued with a review of noted accomplishments, such as the progress made by Next Move NY, the engineering division providing support to over \$198 million in projects, assisting municipalities in Jefferson, Lewis, St. Lawrence, and Franklin Counties to receive \$31 million in grant funding, the GIS system hosting 69 customers within a seven county region while receiving 10,000 hits each month, Household Hazardous Waste events collecting 100,000 pounds more waste than the previous year, and the landfill gas-to-energy project generating carbon credits. Following the achievements, he reviewed items listed in red the Authority fell short on, to include missing the established goals for the SDVOB and MWBE programs, and 23 environmental incident reports. The last section of the report focused on the skilled and credentialed workforce at the Authority, where 26 Water Quality staff received additional certifications this year.

A. MacKinnon commented that when you are in the garbage, sewage, and water business you cannot begin the grant application process when a problem happens. The response should be that the funds are already in place to fix the situation.

Upon a motion by M. Hall, and seconded by M. Murray, accepting the Fiscal Year End 2026 Performance Measurements Report, April 1, 2025 – March 31, 2026, was unanimously approved.

b. MMF – Cell 14 -

C. Farone reported on cell 14 as part of the southern expansion, and the areas that have been built with cells 12 and 13. The original sited landfill will be reaching capacity sometime this summer and engineering will begin to design the final capping enclosure. Cell 14 has been deemed environmentally sound, and will begin accepting waste as a critical component to extending the life of the landfill another 45 years.

M. Hall asked how these numbers are determined and how do we know when a cell is full, if it is the height or the amount of waste.

C. Tuttle responded that the 3D area is surveyed when it is initially permitted, and surveyed again each year. This calculation is based upon the increased elevation resulting in how much space is left.

M. Hall asked if this is based on total elevation.

C. Tuttle responded that it is based off the total airspace of a unique area that is monitored by an annual survey of the volume within that space. She continued by stating the maximum elevation is at one point with different elevations below, resulting in the unique shape. They survey each year to see how much space has been used. They also know the number of tons that have come in, and the density of the waste in that airspace, and can convert this into the density of how compacted the waste is, how many actual tons that equals, and that results in a model for the remaining life of the landfill.

T. Haynes also stated that the geometric shape is why we have to build so many cells now to get the base footprint that carries the main elevation point. Once cell 15 is opened that will provide a large enough base that the next cell will not need to be opened for eight more years.

C. Farone concluded that Cell 14 has been constructed and DEC approved which is important as the landfill has to have, and that we are operating cells open at all times.

c. Telecom USAC Reimbursement –

C. Farone continued with the Universal Service Administrative Company, or USAC. As was discussed at the last Board meeting, the Authority is working with the Fort Drum Regional Health Planning Organization (FDRHPO) to provide services to the ACTION and NCTP hospital networks. There had been an issue with the Authority receiving repayment of \$500,000. FDRHPO has submitted a waiver request and USAC has approved so we are currently in the process of submitting our invoices for payment. M. Schenk reached out to Congresswoman Stefanik and Senator Schumer, and both were helpful in making this happen.

- d. Videoconferencing -
C. Farone shared that the current legislation regarding videoconferencing was scheduled to sunset on July 1, 2026, however two days ago the Governor signed legislation that has passed through the Assembly and will extend this through July 1, 2028.

- e. Board Member Online Training –
C. Farone stated that he sent an email yesterday to the Board as a reminder that there is training required by the Authorities Budget Office (ABO). This is not to be confused with the New York State Ethics Training, is very informational, and will take about 1.5 hours to complete.
A. MacKinnon asked if they had to sign up to do something like that.
C. Farone replied that they have to sign up and it has to be taken through the state in coordination with the ABO. They update their website monthly regarding offered trainings, but these do fill up. The current training dates available are June 10th and June 24th.
A. MacKinnon asked if they needed to be at the Authority to do the training, and C. Farone replied they could be done anywhere, and further stated that if anyone has any issues, please call the office and we will assist you through the process.
M. Murray asked how long they have to complete this training.
C. Farone replied we would like to see this completed within the next three to four months.

- g. Staff Updates -
C. Farone shared these recent staff updates:
Rachel Chamberlain, Administrative Specialist – Operations, earned her Weighmaster License from NYS Ag & Markets.
Emily McBath, Project Engineer, earned her MBS from Clarkson University, and is soon to be promoted to Assistant Director of Telecommunications.
Scott McConnell, Water Quality Senior Operator, earned his 10-year longevity service award in April.
New employees with the Authority are Joe Fisher, Materials Management, Maintenance Technician Assistant; and Robin Stephenson, Regional Development, Project Development Specialist.
Matt Taylor will be retiring on June 12th after 20 years of service with the Authority; we wish him well and happy retirement.

7. Financials –

a. Finance Report – Chief Financial Officer

J. Staples stated that the Authority's fiscal year ends on March 31, 2026. In April the finance team put together the necessary paperwork in preparation of turning over the trial balance sheet to the external auditors on May 6th. The auditors worked on site at the State Office Building the week of May 11th and are currently putting together the final audit documents for the finance team to review. The Audit Committee will then meet on June 18th to review the audit results in detail with Thomas Smith from EFPR. EFPR will then present the summary review of the audit results to the full Board at the June 25th Board

meeting. There will be a summary review of the financials, which will hopefully be approved for the fiscal year.

J. Staples continued with a review of the highlights within the March year-to-date financials. Customer Billings came in \$913,000 below budget, with large shortfalls within both the Army Sewer and Army Water Line. All other divisions were close to what was budgeted under customer billings. We operate the Army Sewer and Army Water lines at a zero profit and perform a true-up by taking what was billed to the Army and netting it against our expense, our capital spends, and any loan costs. The net result is either a credit owed or a bill issued to the Army. At the end of FY26 the Authority owed the Army credits for both the water and sewer lines, which reduced customer billings and is shown as a negative difference between what was budgeted and what was billed. Grant Revenue was under budget by \$5.2 million, and that is associated with the Telecom NTIA Grant which fell short of projected revenue. This is due to the construction phase being pushed out as we waited for National Grid to complete the Make Ready. Other Income was higher than budgeted by \$568,000 due to insurance claims for damage to the Warneck Pump Station and Materials Management Facility following the flood in August of 2024. Some funds came in from these claims during Fiscal Year 26. The repairs and upgrades being done will be paid from the insurance claim and the funds from FEMA.

Operating and Depreciation Expense both came in under budget. Under Operating Expense, Fringe Benefits came in \$853,000 under budget with the majority of that amount caused by two GASB adjustments. The first is GASB 68 adjustment in the amount of \$335,000, and the second is GASB 75 for Other Post Employment Benefits (OPEB), in the amount of \$119,000. Each year we hire an actuary to provide us with the OPEB report. Based off this report, an adjustment entry is made to ensure we are properly claiming OPEB liability, with the difference going to the expense account under fringe benefits. Both were credits this year, resulting in fringe benefits being underbudget due to these adjustments. Bad Debt Expense was in the amount of \$315,000. In March two resolutions were approved by the Board to write off bad debt. The first resolution was for several Telecom customer accounts that the Authority did not receive reimbursements for from USAC, and the second was a loan under the North Country Transformational Community Tourism Revolving Loan Fund where we wrote-off a loan in the amount of \$195,000. In total, Operations netted a profit of \$152,000 in Fiscal Year 26. Interest earned on investments totaled \$3 million. The Market Adjustment came in at \$452,000, which is not a realized gain, but a necessary accounting entry to adjust investments to their current market value.

Pension Expense, which is paid physically to New York State, came in under budget at \$148,000. However, at Year End we are required to make an adjusting entry to comply with GASB 68, which is strictly an accounting entry, as part of our participation in the New York State Retirement Pension Plan. We are required to report our proportionate share of the State's overall pension liability and expense. This year's entry was a decrease to expenses in the amount of \$344,775. As an example of this calculation's fluctuation year-to-year, last year this entry was an increase to our expenses in the amount of

\$439,000. We do not pay this amount or receive these funds from the state, this is strictly an accounting entry required by GASB.

Waste Volumes within Materials Management were higher than projected by 12%, or just over 27,000 tons. These additional tons were associated with a number of special waste projects throughout the year. Host Community Benefits for Materials Management came in over budget by \$78,000, directly associated with sharing the landfill gas to energy revenue received from the sale of electricity per our Host Community Benefit Agreement the Authority has with Rodman.

Upon a motion by M. Hall, and seconded by A. MacKinnon, financials ending March 31, 2026, were unanimously approved.

8. Governance

- a. Resolution No. 2026-05-35, approves the Artificial Intelligence Policy as attached and incorporated to the resolution.

A. MacKinnon commented that the whole problem is potential spam calls, especially those coming from a place you know. This causes doubt, so it is assumed to be a lie unless proven otherwise.

C. Farone responded that Artificial Intelligence is a tool, and continued with a review of the policy to explain how it can be used to help gain efficiencies. There are many levels to how AI could be used, but this policy offers guidelines as to what the Authority will be using it for. Microsoft Dynamics 365, Google Gemini and ChatGPT are the authorized programs.

M. Murray asked if the Authority was going to subscribe to ChatGPT, and can anyone in the Authority use it or will it be assigned to an individual.

C. Farone stated that Microsoft Copilot is an Authority wide subscription through Microsoft 365.

S. Bohmer explained that we do not subscribe to ChatGPT, but if an individual staff wanted to, they could. He further explained that he prefers to stay signed out of it because if you have a profile and are signed into it, it will keep a history of everything you have told it.

C. Farone continued with a review of the acceptable and unacceptable general uses.

M. Doheny stated that she appreciates the work that went into developing this policy because we are in a changing environment and this is a very good starting point.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2026-05-35, Approving the Artificial Intelligence Policy, was unanimously approved.

9. Finance

- a. Resolution No. 2026-05-36, amends the capital project budget for Enterprise Resource Planning System Replacement (Project 10-035) from \$500,000 to \$1,400,000, and furthermore awards the professional services contract to Crowe in the amount of \$997,125 to implement Microsoft Dynamics 365.

Following J. Staples review of the resolution, C. Farone explained that when the initial budget for this was set, we did not have a good idea what the budget was going to be. The current system is over 30 years old and unfortunately, we do not have a choice at this time but to go to a different platform because the current platform is no longer supported. Under the Authority there are over 15 operating divisions, which we feel is customary practice, but have learned is very complicated. The original RFP received six responses, and then another four or five, but we only had two respond who could do what we needed, and the company selected at \$1.4 million was the lowest 10-year cost of ownership. The Authority finance team has put a great deal of time and effort into finding a solution that will help us meet current and future operating requirements, which this system should be able to do.

M. Doheny asked for an explanation to the Board for what Crowe does and why there will be almost a year of implementation. J. Staples explained they will evaluate the current process and determine how it is going to fit into the new system. They will also be making decisions about continuing current processes or doing things differently than we do today. The current system will need to be integrated into existing systems so that information can flow back and forth into our new system, such as Compuweigh that is used at the landfill. A third-party system will need to be used for payroll and that will need to integrate into the new system. They are then going to come in and review the process they have created with us before beginning training with the support staff. Following training our current information will be integrated and validated before going live. They will provide post support to ensure everything has been covered as needed. We are anticipating this to be a 12-month process, but will reevaluate based on any issues or challenges we encounter within the process.

M. Hall stated that it sounds like the existing system has been customized over 30 years, and all of that is being woven into a new system in one year.

J. Staples commented that we are trying to make sure we can still do all those processes while achieving the end result.

A. MacKinnon noted that in the document that had been sent to the Board it compared Microsoft's initial price of \$1 million to some of the others that were half of that. But when the whole process was looked at with a number of additions that would come over time it becomes more competitive.

M. Doheny stated this is a major project and asked when we will be starting on this. J. Staples responded that once approved, they can begin June 1.

Upon a motion by M. Hall and seconded by M. Murray, Resolution No. 2026-05-36, Fiscal Year 2027 Capital Budget Amendment, Enterprise Resource Planning System Replacement, Administrative Division, was unanimously approved.

10. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Town of Henderson, Technical Services Agreement, Sewer District No. 1 Project Amendment No. 1, Total Agreement Amount of \$42,000, 11/13/24 – 12/31/27, Jefferson County

T. Haynes commented that there will be a vote at the end of August, and if the vote doesn't pass this project will not be done.

- II. Village of Carthage/West Carthage, SCADA Services Agreement, Blower Replacement Project SCADA Services, Total Agreement Amount of \$35,000, 6/1/26 – 12/31/26, Jefferson County
- III. Village of Carthage/West Carthage, Technical Services Agreement, Influent Flow Meter Relocation, Total Agreement Amount of \$10,000, 5/28/26 – 12/31/26, Jefferson County
- IV. Town of Champion, SCADA Services Agreement, Champion and Carthage Water Connection Flow Control SCADA Services, Total Agreement Amount of \$30,000, 5/28/26 – 12/31/26, Jefferson County
- V. Lewis County Development Corporation, Technical Services Agreement, Loan Underwriting Services, Total Agreement Amount of "Time & Materials", 5/28/26 – "Open Ended. Termination with 30 days notice.", Lewis County

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

11. Engineering –

- a. Resolution No. 2026-05-37, approves the Technical Services Agreement by and between the Authority and Village of Tupper Lake. Furthermore, the Executive Director is authorized and directed to execute said agreement.

C. Tuttle reported that the Village has approved a resolution to proceed with this project. The Town is meeting today at 2:00 PM. The Village has requested that the Town contribute \$25,000 toward the cost of the study. A portion will also be paid by a grant from the Department of State, which the Authority will also administer on behalf of the Village. This study will take about one year and is rather involved since the Village offers several services, including a village police department and municipal electric.

Upon a motion by A. MacKinnon and seconded by M. Murray, Resolution No. 2026-05-37, Technical Assistance Services Agreement, Village of Tupper Lake, Municipal Efficiency Study, was unanimously approved.

12. Materials Management –

- a. Resolution No. 2026-05-38, approves the Leachate Treatment Agreement Amendment 1, by and between the Development Authority of the North Country and the City of Ogdensburg. Furthermore, the Executive Director is authorized and directed to execute said agreement.

Upon a motion by A. MacKinnon and seconded by M. Murray, Resolution No. 2026-05-38, Leachate Treatment Agreement Amendment 1, City of Ogdensburg, was unanimously approved.

- b. Resolution No. 2026-05-39, amends the capital project budget for Cell 15 Design and Construction (Project 20-239) from \$16,000,000 to \$17,000,000.

C. Farone explained that is it good practice to increase the bond by \$1 million at the suggestion of the fiscal adviser to be safe. This is not an increase in the budget through the capital costs, but is purely to fund any costs associate with bonding. That money will come back to the Authority once the loans have been repaid.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2026-05-39, Fiscal Year 2027 Capital Budget Amendment, Cell 15 Design and Construction, Materials Management Division, was unanimously approved.

- c. Resolution No. 2026-05-40, determines within Sections 1 – 9 of the resolution that the Authority has been vested with all the powers necessary and convenient to carry out the purposes and provisions of Title 29 of Article 8 of the Public Authorities Law. The Authority is to issue its bonds in one or more series in an aggregate principal amount not to exceed \$17,000,000. The Authority is authorized to issue and execute, sell and deliver the bonds in one or more series in an aggregate principal amount not to exceed \$17,000,000 pursuant to the Act. The Authorized Representatives are each authorized, in the name and on behalf of the Authority to negotiate, execute, deliver, and/or approve the financing documents and any other documents necessary to issue the bonds. The authorized representatives are further authorized to apply to the EFC for a loan as they deem advisable to be used solely for the purpose of financing the cost of the project, and to negotiate and execute loan documents, notes, and other documents to obtain a loan from EFC for all or a portion of the cost of the project. Each of the Authorized Representatives are authorized and directed to ensure all acts be completed to make all required payments pursuant to the Financing Documents, and to execute all documents, certificates and instruments in order to carry out the Financing Documents and completed transactions to complete the purposes of this Resolution and maintain compliance with all terms, covenants and provisions of the Financing Documents. The person executing the Financing Documents is authorized to agree to changes, insertions, omissions and modification as they may approve. This resolution shall constitute a declaration of the Authority’s “official intent” to reimburse expenditures for the project. This resolution shall take effect immediately.

Upon a motion by A. MacKinnon and seconded by T. Hefferon, Resolution No. 2026-05-40, Solid Waste Management System, Issuance and Sale of Authority Revenue Bonds, was unanimously approved.

d. Establish Bond Issuance Evaluation Committee

C. Farone stated that following the motion being passed for Resolution 2026-05-40, the Authority Bond Policy requires that the Board Chair shall establish an Evaluation Committee that will be part of working with staff to evaluate an RFP for underwriter services for the issuance of bonds. The Evaluation Committee will create an RFP to be sent out to underwriters, and then staff will receive the responses. The Evaluation Committee will review those response, report to the Board, and make a recommendation.

M. Doheny stated that it is her understanding that in the past this has always been the Governance Committee. With no objections, this will stay consistent with past practices and the Governance Committee will serve as the Evaluation Committee.

13. Telecommunications –

- a. Resolution No. 2026-05-41, amends the FY 2027 Telecommunications operating budget by decreasing Underground Coating (GL 5135) by \$88,000 and Contingency (GL 6901) by \$24,600, and increasing Permitting (GL 5834) by \$112,600.

C. Tuttle explained a correction made to the resolution, in the originally sent packet the Underground Locating was indicated to reflect \$98,000 and was corrected for the projection to read \$108,000. Additionally, the amount available for use for CSX permitting fees was incorrect reflecting \$98,000 and was corrected for the projection to read \$88,000.

Upon a motion by T. Hefferon and seconded by M. Murray, Resolution No. 2026-05-41, FYE 2027 Operating Budget Amendments, Telecommunications Division, CSX Crossing Encroachment Fees, was unanimously approved.

- b. Resolution No. 2026-05-42, determines that the Project is a Type II Action and will not have significant adverse impact on the environment, and therefore, no Environmental Impact Statement needs to be prepared and no further action with regards to SEQRA is required.

C. Farone asked C. Tuttle to further explain NEPA. C. Tuttle explained that NEPA is the National Environmental Protection Act, and basically the federal version of SEQRA while being more restrictive with more requirements. Because it is more restrictive than SEQRA it is typically accepted for this process. However, with this being a unique situation, and going through DEC permitting, DEC has come back and requested the SEQRA in addition to the NEPA. This is an administrative action to check this box and complete the permit application.

Upon a motion by A. MacKinnon and seconded by M. Murray, Resolution No. 2026-05-42, NTIA Middle Mile Capital Project, SEQRA Type II Action, No Significant Impact on the Environment, was unanimously approved.

- c. Resolution No. 2026-05-43, authorizes the Executive Director to enter into the Termination and Release Agreement with Hamilton County attached to the resolution. Furthermore, upon execution of said Termination and Release Agreement, the Authority Board of Directors authorizes the Chief Financial Officer to pay Hamilton County \$56,588.87 for the fiber optic cable purchased in contemplation of the Project and is hereby directed to take all actions necessary and appropriate to record the payment and termination of the Agreement in accordance with applicable accounting standards.

C. Farone stated this agreement was drafted by Wladis Law Firm, reviewed by staff, and accepted by Hamilton County as a signed agreement was received yesterday. Once the Authority Board approves the termination release agreement, we will be able to move forward.

M. Doheny asked if Hamilton County has approved this. C. Farone stated that he unexpectedly received the executed agreement from Hamilton County yesterday. M. Doheny stated that over the last several months a lot of work has gone into this on behalf of Authority staff, and while it is unfortunate the project is not moving forward, this appears to be the best resolution given all the discussions.

A. MacKinnon asked if they are just not going to build the line and will get by without it. C. Farone confirmed this is correct.

Upon a motion by T. Hefferon and seconded by A. MacKinnon, Resolution No. 2026-05-43, Termination & Release Agreement, Hamilton County Telecommunications Project, Telecommunications Division, was unanimously approved.

14. Regional Development –

a. Loan Report –

M. Capone reported on past due loans:

- Windwater Enterprises, a tourism loan, is currently 147 days past due. M. Capone has spoken with the owner and they are currently looking to sell the property, but we will continue to work with them to receive payments until the sale goes through.
- Sally Port View, a tourism loan, is currently 5 months past due. We have received a couple payments from them.
- Johnson Newspapers, A North Country Economic Development Fund Loan, or New York Power Authority funds, is currently 11 months past due, and we will continue to keep the Board updated.

M. Capone also shared with the Board that the North Country HOME Consortium, which is comprised of municipalities from Jefferson, Lewis and

St. Lawrence Counties with Jefferson being the lead entity, has been administered by the Authority for 32 years. Jefferson County has decided that they would like to take the HOME Consortium in a different direction and take the program in-house into Jefferson County. This subrecipient agreement with the Authority will expire on September 30, 2026. The Authority has been very successful in getting this program and HOME ARP up and going, and most HOME ARP projects are completed with the exception of the project on Commerce Drive in Watertown. We assisted over 2,000 units in the amount of \$36 million, and are very proud of what we accomplished. This program is not going away, and this move will allow Regional Development to provide services using HOME funds, which we were unable to do when we were administering the funds.

- b. Resolution No. 2026-05-44, 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 28, 2026 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).

M. Capone stated that the tax returns were files in 2025, and this project occupancy is at 93.75%.

Upon a motion by T. Hefferon and seconded by A. MacKinnon, Resolution No. 2026-05-44, Annual Report, Creek Wood Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- c. Resolution No. 2026-05-45, 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 28, 2026 the existing directors of the HDFC will continue in office until the next Annual Meeting. The directors are as follows, Thomas H. Hefferon (Chair), Dennis Mastascusa (Vice Chair), Carl E. Farone, Jr. (Treasurer), and Michelle L. Capone (Secretary).

M. Capone stated that this project occupancy is at 95.19%.

Upon a motion by T. Hefferon and seconded by A. MacKinnon, Resolution No. 2026-05-45, Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- d. Resolution No. 2026-05-46, establishes the North Country Housing Capital Loan Fund Committee comprised of representation from the Authority, Empire State Development, and the North Country Regional Economic Development Council. Furthermore, authorizing the North Country Housing Capital Loan Fund Committee to commit loans of up to \$250,000 on behalf of the Board to be ratified at the next Board Meeting.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2026-05-46, North Country Housing Capital Revolving Loan Fund, Establish Regional Committee, was unanimously approved.

- d. Resolution No. 2026-05-47, approves the loan modification to extend the revolving line of credit of \$250,000 to the Hand In Hand Early Childhood Center Inc. from the Economic Development Fund at the terms and conditions as attached to the resolution, to mature no later than October 1, 2027, or upon receipt of the final grant disbursement, whichever comes first.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2026-05-47, Economic Development Fund, Hand In Hand Early Childhood Center Inc., Loan Modification, was unanimously approved.

15. Executive Session –

- a. To discuss matters pertaining to the employment history of a particular person.
- b. To discuss the proposed sale of real property where the value could be significantly affected by public disclosure.

Upon a motion by M. Murray and seconded by A. MacKinnon, the Board moved into Executive Session at 11:58 AM.

Upon a motion by M. Hall and seconded T. Hefferon, the Board moved out of Executive Session at 12:51 PM.

No action was taken.

16. Next Board Meeting Date – June 25, 2025 (Required for Audit Approval)

A. MacKinnon stated he would be out of the area on that date.

M. Doheny also stated there will be a meeting of the Audit Committee the week before the Board meeting. She also shared that she spoke with the auditors when they were in the office, and they said everything is on track and looks good.

17. Adjourn -

- a. Upon a motion by D. Mastascusa and seconded by A. MacKinnon, the meeting was adjourned at 12:52 PM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary

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

FISCAL YEAR END: MARCH 31, 2026

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Development Authority of the North Country

April 1, 2025 - March 31, 2026

Fiscal year end - March 31, 2026

Portfolio Review

We have compiled the performance numbers for the fiscal year end March 31, 2026.

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

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

The DANC Portfolio finished the year with total net income of \$2,600,140.08 or 2.87%.

The market value adjustment for the DANC Portfolio for the year was \$927,151.31 or 1.02%.

The total return, including the net income and market value adjustment, for the DANC Portfolio was \$3,527,291.39 or 3.89%

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.

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	3.65%	Community Rental	4.10%
General Operating	3.84%	Affordable Rental	3.93%
Water / Sewer	3.49%	Revolving Loan	4.03%
Closure Post Closure	3.98%	Wetlands Mitigation	4.41%
Economic Fd	3.67%	Liner	3.94%
Open Access	3.62%		
OPEB	3.96%		
TIP Fee	3.90%		
NCEDF	3.99%		

For the same period the following benchmarks performed as follows:

3 month T Bill	4.00%
Barclays US Aggregate Government - Treasury	3.25%
Barclays US Government/Credit	3.86%

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, 2025 - March 31, 2026
Fiscal year end - March 31, 2026

March 31 2025 - Statement on Market Value	\$	96,850,690.52	
April Income	\$	206,598.93	
- change in period	\$	(169.86)	
May Income	\$	177,871.23	
June Income	\$	369,551.64	
July Income	\$	250,338.81	
August Income	\$	163,264.38	
September Income	\$	214,231.91	
October Income	\$	185,187.91	
November Income	\$	214,762.33	
December Income	\$	321,157.75	
January Income	\$	176,698.55	
February Income	\$	150,232.04	
March Income	\$	223,781.22	
Total Income April 2025 - March 2026	\$	2,653,506.84	
March 31, 2025 - Accrued Income	\$	(422,925.48)	
March 31, 2026 - Accrued Income	\$	369,558.72	
Change in Accrued Income	\$	(53,366.76)	
Total Net Income for the Full Year	\$	2,600,140.08	(or) 2.87% Total Net Income
Market Value Adjustment for the Full Year	\$	927,151.31	(or) 1.02% of Portfolio's Value
Total Return for the Full Year	\$	3,527,291.39	(or) 3.89% Total Return
Transfer of assets and cash in	\$	6,602,582.66	
Transfer of assets and cash out	\$	(11,430,000.00)	
March 31, 2026 - Statement on Market Value	\$	95,550,564.57	

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

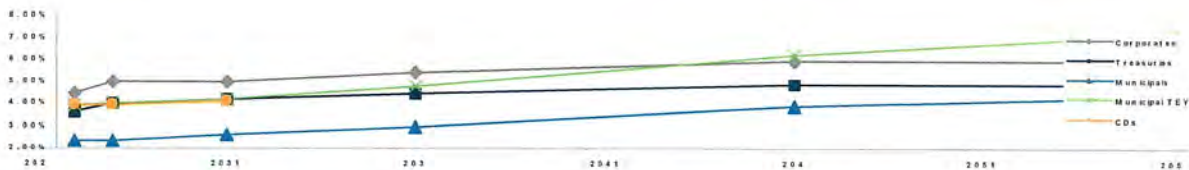


Portfolio Advisory Group – U.S. Fixed Income Strategies

Indicated yields for selected securities

Monday, June 15, 2026

All indications are for round lots



	BBB+ Rated					CDs		Mortgage Backed	Treasury Zeros	
	Treasuries	Agencies (non-call)	Industrial Corporates	AAA Municipals G.O.	AAA Municipals TEY*	Coupon	APY**		Maturity	Yield
3 month	3.61%					3.90%	3.90%			
6 month	3.66%					3.95%	3.95%			
1 year	3.67%	4.09%	4.41%	2.33%	3.94%	4.05%	4.05%		06/15/27	3.94%
2 year	4.04%	4.25%	4.96%	2.39%	4.02%	4.10%			06/15/28	4.13%
5 year	4.17%	4.40%	4.96%	2.64%	4.22%	4.35%			06/15/31	4.28%
10 year	4.45%	4.57%	5.47%	2.99%	4.83%				06/15/36	4.62%
15 year	-	4.91%	5.79%	3.39%	5.54%			4.49%	06/15/41	5.06%
20 year	4.95%		5.97%	3.88%	6.30%				06/15/46	5.26%
30 year	4.95%		6.03%	4.32%	7.26%			5.01%	06/15/56	5.01%

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.

Cyril Mouaikel

Managing Director – Branch Director

Senior Portfolio Manager – Portfolio Focus

19485 US Route 11, Watertown, NY 13601-6678

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

RBC Wealth Management U.S. Fixed Income Strategies

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Period Ending March 31, 2026

In percentages, based on U.S. dollars	Annualized total returns						Calendar period total returns						Cumulative total returns						
	Last month	Trailing 3 mo.	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	2025	2024	2023	2022	2021	2020	2019	3 Yr	5 Yr	7 Yr	10 Yr
Balanced																			
20% MSCI World (Net) 80% Bloomberg Barclays U.S. Aggregate1	-2.68	-0.74	-0.74	7.19	6.21	2.34	3.79	3.79	10.02	4.57	9.04	-13.87	2.85	9.56	12.45	19.82	12.24	29.75	45.10
40% MSCI World (Net) 60% Bloomberg Barclays U.S. Aggregate1	-3.61	-1.44	-1.44	10.06	8.82	4.35	5.98	5.85	12.75	7.97	12.61	-14.82	7.37	11.62	16.21	28.86	23.70	50.21	76.63
50% MSCI World (Net) 50% Bloomberg Barclays U.S. Aggregate1	-4.07	-1.79	-1.79	11.51	10.13	5.34	7.06	6.87	14.13	9.70	14.43	-15.33	9.69	12.49	18.11	33.57	29.73	61.26	94.35
60% MSCI World (Net) 40% Bloomberg Barclays U.S. Aggregate1	-4.53	-2.14	-2.14	12.97	11.45	6.34	8.13	7.88	15.51	11.45	16.27	-15.85	12.04	13.31	20.01	38.42	35.97	72.87	113.46
80% MSCI World (Net) 20% Bloomberg Barclays U.S. Aggregate1	-5.45	-2.86	-2.86	15.92	14.10	8.31	10.24	9.86	18.29	15.02	19.99	-16.96	16.86	14.74	23.83	48.54	49.08	97.81	156.13
Domestic fixed income																			
Bloomberg Barclays US Universal	-1.79	-0.15	-0.15	4.64	4.16	0.65	1.88	2.11	7.58	2.04	6.17	-12.99	-1.10	7.58	9.29	13.07	3.30	13.96	23.24
Bloomberg Barclays US Aggregate	-1.76	-0.05	-0.05	4.35	3.63	0.31	1.56	1.70	7.30	1.25	5.53	-13.01	-1.54	7.51	8.72	11.30	1.57	11.43	18.35
Bloomberg Barclays US Intermediate Aggregate	-1.34	0.11	0.11	4.83	4.23	1.03	1.90	1.84	7.45	2.47	5.18	-9.51	-1.29	5.60	6.67	13.24	5.26	14.05	20.01
Bloomberg Barclays US Aggregate Government - Treasury	-1.74	-0.04	-0.04	3.25	2.59	-0.14	1.04	1.04	6.32	0.58	4.05	-12.46	-2.32	8.00	6.86	7.97	-0.68	7.48	10.87
Bloomberg Barclays US Aggregate Government	-1.73	-0.04	-0.04	3.27	2.62	-0.10	1.07	1.07	6.31	0.62	4.09	-12.32	-2.28	7.94	6.83	8.08	-0.51	7.71	11.22
Bloomberg Barclays US Government/Credit	-1.81	-0.20	-0.20	3.86	3.41	0.24	1.65	1.79	6.88	1.18	5.72	-13.58	-1.75	8.93	9.71	10.59	1.21	12.11	19.41
Bloomberg Barclays US Intermediate Government/Credit	-1.22	-0.02	-0.02	4.41	4.24	1.33	2.20	2.04	6.97	3.00	5.24	-8.23	-1.44	6.43	6.80	13.28	6.83	16.48	22.36
Bloomberg Barclays US Aggregate Credit - Corporate - High Yield	-1.18	-0.50	-0.50	7.01	6.80	4.23	5.10	6.12	8.62	8.19	13.44	-11.19	5.28	7.11	14.32	28.09	22.99	41.61	81.20
Bloomberg Barclays US Aggregate Credit	-1.96	-0.48	-0.48	4.84	4.62	0.77	2.37	2.70	7.83	2.03	8.18	-15.26	-1.08	9.35	13.80	14.50	3.92	17.82	30.54
Bloomberg Barclays US Aggregate Credit - Corp. - Investment Grade	-1.98	-0.54	-0.54	4.78	4.70	0.76	2.46	2.81	7.77	2.13	8.52	-15.76	-1.04	9.89	14.54	14.78	3.86	18.54	31.98
Bloomberg Barclays Municipal Bond	-2.32	-0.18	-0.18	4.29	2.87	0.84	1.92	2.16	4.25	1.05	6.40	-8.53	1.52	5.21	7.54	8.86	4.27	14.25	23.79
Bloomberg Barclays Municipal Bond 3 Year	-0.91	0.47	0.47	3.55	2.90	1.35	1.74	1.81	4.11	2.04	3.46	-3.39	0.40	2.97	3.67	8.96	6.96	12.84	17.37
Bloomberg Barclays Municipal Bond 7 Year	-2.62	-0.56	-0.56	4.33	2.73	1.03	1.94	2.03	5.70	0.51	4.99	-5.97	0.36	5.11	6.74	8.43	5.24	14.36	22.29
Bloomberg Barclays Municipal Bond 10 year	-3.09	-0.79	-0.79	4.81	2.54	1.00	2.05	2.26	5.92	-0.33	5.78	-6.57	0.96	5.62	7.70	7.82	5.10	15.25	25.06
Bloomberg Barclays Municipal Bond 20 Year (17-22 Y)	-2.34	0.37	0.37	4.86	3.09	0.69	2.10	2.52	3.12	1.36	7.78	-11.02	2.53	6.19	9.29	9.55	3.48	15.68	28.20
BoFA Merrill Lynch US Treasury Bill (3 M)	0.29	0.85	0.85	4.00	4.74	3.34	2.72	2.26	4.18	5.25	5.01	1.46	0.05	0.67	2.28	14.89	17.84	20.64	25.02
Citigroup US Inflation-Linked Securities	-1.32	0.38	0.38	3.04	3.22	1.52	3.18	2.75	6.93	1.92	4.13	-12.10	5.86	11.59	8.74	9.96	7.84	24.47	31.13
BoFA ML U.S. Convertible - All Convertibles/All Qualities	-2.52	3.72	3.72	25.04	13.95	5.22	11.68	11.81	17.98	11.14	12.87	-18.71	6.34	46.22	23.15	47.95	29.00	116.72	205.24
BoFA ML Fixed Rate Preferred Securities	-3.16	-1.40	-1.40	3.58	5.78	1.53	3.08	3.66	5.13	7.05	10.21	-14.60	2.24	6.95	17.71	18.35	7.90	23.66	43.20
S&P/STA U.S. Leveraged Loan 100	1.22	-0.78	-0.78	5.94	8.35	5.91	5.53	5.46	7.24	8.70	13.20	-0.68	3.54	2.84	10.65	27.20	33.28	45.73	70.18
Global and International fixed income																			
Bloomberg Barclays Global Aggregate	-3.07	-1.07	-1.07	4.26	2.59	-1.46	0.19	0.58	8.17	-1.69	5.72	-16.25	-4.71	9.20	6.84	7.97	-7.10	1.32	5.92
Bloomberg Barclays Global Aggregate x US	-4.13	-1.87	-1.87	4.18	1.62	-2.90	-1.01	-0.42	8.85	-4.22	5.72	-18.70	-7.05	10.11	5.09	4.94	-13.70	-6.84	-4.12
Bloomberg Barclays Global High Yield	-2.47	-1.31	-1.31	8.59	10.11	4.15	4.66	5.45	12.06	9.19	14.04	-12.71	0.99	7.03	12.56	33.51	22.57	37.55	70.08
BoFA Merrill Lynch Global Broad Market x US	-4.73	-2.48	-2.48	3.37	0.81	-4.22	-2.07	-1.18	9.30	-6.35	5.72	-21.12	-8.94	10.33	4.86	2.44	-19.38	-13.62	-11.20
Citigroup WGBI	-3.18	-1.05	-1.05	3.75	1.65	-2.60	-0.77	-0.25	7.55	-2.87	5.18	-18.26	-6.97	10.11	5.90	5.03	-12.35	-5.25	-2.52
Citigroup Non-USD WGBI	-4.21	-1.76	-1.76	4.14	0.97	-4.29	-2.07	-1.20	8.47	-5.32	5.83	-22.07	-9.68	10.78	5.32	2.95	-19.68	-13.62	-11.35
Alternatives																			
CPI for all Urban Consumers (CPI-U) ¹ **one month lag	0.27	0.44	0.44	2.43	2.80	4.44	3.74	3.23	2.65	2.87	3.32	6.40	7.17	1.32	2.32	8.63	24.24	29.27	37.79
Bloomberg Commodity Index	11.50	24.41	24.41	32.29	13.88	14.04	10.60	8.02	15.77	5.38	-7.91	16.09	27.11	-3.12	7.69	47.69	92.91	102.39	116.20
S&P GSCI	24.53	40.02	40.02	43.00	18.17	19.56	11.66	9.99	7.12	9.25	-4.27	25.99	40.35	-23.72	17.63	65.01	144.27	116.46	159.09
FTSE NAREIT Equity REITs	-5.76	4.80	4.80	6.84	9.10	5.82	5.34	5.57	2.88	8.73	13.73	-24.37	43.24	-8.00	25.00	29.84	32.87	43.93	72.03
FTSE NAREIT All REITs	-6.24	3.30	3.30	2.10	6.37	3.36	4.07	5.26	1.66	4.33	11.48	-25.10	39.88	-5.86	28.07	20.35	17.97	32.21	66.90
HFBR Global Hedge Fund	-2.95	-0.57	-0.57	5.97	4.96	2.49	3.77	3.22	7.14	5.27	3.10	-4.41	3.65	6.81	8.62	15.62	13.10	29.54	37.27
HFBR Equity Hedge	-4.44	-1.48	-1.48	8.20	7.43	5.74	5.79	4.91	10.06	7.83	6.90	-3.18	12.14	4.60	10.71	23.99	32.19	48.31	61.43
HFBR Event Driven	-2.27	-0.78	-0.78	4.02	3.16	0.06	2.79	2.60	5.88	3.74	0.48	-7.27	0.48	8.89	9.96	9.77	0.33	21.22	29.23
HFBR Absolute Return	-1.16	-0.23	-0.23	4.15	4.44	3.07	3.22	2.68	5.57	4.86	2.95	0.85	2.10	2.72	4.37	13.93	16.32	24.81	30.27
HFBR Macro/CIA	-3.66	1.56	1.56	8.14	3.98	2.33	3.17	1.72	5.59	3.76	-1.49	3.75	-0.83	4.29	4.84	12.43	12.20	24.40	18.63

Development Authority of the North Country

Board Summary

March 31, 2026

- 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(3)(f) of the New York State Public Authorities Law and Title 2 Section 201.3 of the New York Codes, Rules and Regulations.
- 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.
- Operating revenue decreased \$2.1 million due to a decrease in grant revenue related to the National Telecommunications grant and a New York State grant related to debt issuance received in 2025. Operating expenses increased \$1.6 million mainly due to an increase in closure and post-closure costs, and an increase in operation and maintenance expense.
- Net position increased \$2.7 million to \$166.9 million as of March 31, 2026.

	2026	2025	Change
Net investment in capital assets	\$ 80,130,594	60,824,230	19,306,364
Restricted	74,659,687	85,166,410	(10,506,723)
Unrestricted	<u>12,113,262</u>	<u>18,263,720</u>	<u>(6,150,458)</u>
Total net position	<u>\$166,903,543</u>	<u>164,254,360</u>	<u>2,649,183</u>

DEVELOPMENT AUTHORITY
OF THE NORTH COUNTRY

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

March 31, 2026 and 2025

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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 years ended March 31, 2026 and 2025, 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, 2026 and 2025, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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 audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

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 45 through 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. 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 audits 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 , 2026, 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
, 2026

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Management's Discussion and Analysis

March 31, 2026 and 2025

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 and Fort Drum.

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.

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

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, New York State, and Federal organizations to promote business and housing development throughout the region. The Authority administers several loan programs to promote job creation and retention among small businesses. The Authority also provides funding for the development of quality, affordable housing in Jefferson, Lewis, and St. Lawrence Counties through its housing programs. The Authority was awarded funding through Empire State Development to establish the administrative framework to support Next Move New York (NMNY). This regional plan supports the education, training, credentialing and placement of Fort Drum transitioning soldiers and spouses.

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 deferred outflows of resources) and the obligations to the Authority's creditors (liabilities and deferred inflows of resources), 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, 2026 and 2025 with comparative information for the year ended March 31, 2024. 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, 2026 and 2025, the assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows by \$166,903,543 and \$164,254,360, respectively.
- The Authority's total revenue (operating and nonoperating) was \$43,955,030 and \$46,491,433 in 2026 and 2025, respectively.
- The Authority's total expenses (operating and nonoperating) were \$41,305,847 and \$39,213,783 in 2026 and 2025, respectively.

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

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.

FINANCIAL ANALYSIS

A summary of the Authority's statements of revenue, expenses, and changes in net position are shown below:

	<u>2026</u>	<u>2025</u>	<u>2024</u>
Operating revenue:			
Customer billings	\$ 31,412,035	27,197,410	24,398,384
Grant revenue	2,744,971	9,851,491	1,854,316
Other	3,145,384	2,397,801	1,220,284
Total operating revenue	<u>37,302,390</u>	<u>39,446,702</u>	<u>27,472,984</u>
Operating expenses:			
Payroll and benefits	11,515,947	11,774,082	10,784,552
Closure and post-closure costs	2,537,708	1,788,558	1,266,768
Depreciation and amortization	11,008,034	11,202,255	10,447,868
Other	12,068,623	10,742,598	10,113,605
Total operating expenses	<u>37,130,312</u>	<u>35,507,493</u>	<u>32,612,793</u>
Operating income (loss)	<u>172,078</u>	<u>3,939,209</u>	<u>(5,139,809)</u>
Nonoperating revenue (expense):			
Pass-through grant revenue	2,750,252	2,291,673	1,189,576
Pass-through grant expense	(2,750,252)	(2,291,673)	(1,189,576)
Investment income	3,525,182	4,116,710	2,982,457
Gain on sale of capital assets	377,206	636,348	346,650
Debt issuance costs	(4,269)	(111,970)	(93,280)
Interest expense	(1,421,014)	(1,302,647)	(862,831)
Total nonoperating revenue (expense)	<u>2,477,105</u>	<u>3,338,441</u>	<u>2,372,996</u>
Change in net position	2,649,183	7,277,650	(2,766,813)
Net position at beginning of year	<u>164,254,360</u>	<u>156,976,710</u>	<u>159,743,523</u>
Net position at end of year	<u>\$ 166,903,543</u>	<u>164,254,360</u>	<u>156,976,710</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Management's Discussion and Analysis, Continued

In 2026, operating revenue decreased \$2,144,312. The main decrease was related to grant revenue, mostly in Water Quality Operations and Telecommunication Network and where grant revenue decreased \$7,620,036. This was due to the receipt of a National Telecommunications and Information Administration (NTIA) grant in 2025. This grant spans over several years and 2026 was a low reimbursement year.

In 2025, operating revenue increased \$11,973,718. The main increase was related to grant revenue, mostly in Water Quality Operations and Telecommunication Network, where grant revenue increased \$8,033,396. This was due to the receipt of a NTIA grant and New York State Environmental Facilities Corporation (EFC) grant.

In 2026, operating expenses increased \$1,622,819. The main increase was related to closure costs of the landfill where expenses increased \$749,150 due to additional funds being placed in the reserve for future landfill closures.

In 2025, operating expenses increased \$2,894,700. The main increase was related to depreciation and amortization where expenses increased \$754,387. There was also an increase in payroll and related benefits of \$989,530. The increase was due to seven additional positions being added, as well as a GASB Statement No. 68 adjustment of \$438,868.

The 2026 and 2025 net nonoperating revenue, net was \$2,477,105 and \$3,338,441, respectively. These amounts are primarily due to investment income being larger than interest expense.

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

	<u>2026</u>	<u>2025</u>	<u>2024</u>
Assets:			
Other assets	\$ 156,549,842	157,881,525	151,729,621
Capital assets	113,396,835	95,179,000	89,180,345
Total assets	<u>269,946,677</u>	<u>253,060,525</u>	<u>240,909,966</u>
Deferred outflows of resources	<u>4,742,306</u>	<u>5,659,198</u>	<u>3,692,448</u>
Liabilities:			
Other liabilities	4,631,404	5,087,173	3,918,219
Long-term liabilities	<u>100,185,544</u>	<u>85,126,728</u>	<u>81,402,580</u>
Total liabilities	<u>104,816,948</u>	<u>90,213,901</u>	<u>85,320,799</u>
Deferred inflows of resources	<u>2,968,492</u>	<u>4,251,462</u>	<u>2,304,905</u>
Net position:			
Net investment in capital assets	80,130,594	60,824,230	54,557,987
Restricted	74,659,687	85,166,410	81,746,378
Unrestricted	<u>12,113,262</u>	<u>18,263,720</u>	<u>20,672,345</u>
Total net position	<u>\$ 166,903,543</u>	<u>164,254,360</u>	<u>156,976,710</u>

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

Summary of 2026 Changes

Other assets decreased \$1,331,683 mainly due to decreases in accounts receivable and restricted assets offset by an increase in cash and equivalents. As accounts receivables are collected it decreases the receivable balance and increases cash and equivalents.

Capital assets increased \$18,217,835 due to additions exceeding disposals and depreciation/amortization expense. In fiscal year ended 2026, the Authority had additions to construction in progress of \$28,927,282, \$10,663,467 of which was for the design and construction of a new landfill cell.

Other liabilities decreased \$455,769 primarily as a result of accounts payable decreasing.

Long-term liabilities increased \$15,058,816 mainly from an increase in unearned revenue of \$17,003,790. There were contracts with National Grid of \$10,715,723 that have not been recognized as revenue.

Summary of 2025 Changes

Other assets increased \$6,151,904 primarily from accounts receivable related to NTIA grant draws and loans receivable due to additional loans that were closed in 2025.

Capital assets increased \$5,998,655 due to additions exceeding disposals and depreciation/amortization expense. In fiscal year ended 2025, the Authority completed the relining portion of the Army Sewer Line and had an additional \$5 million spent against the NTIA project.

Other liabilities increased \$1,168,954 primarily as a result of a decrease in accounts payable.

Long-term liabilities increased \$3,724,148 mainly from the issuance of a new bond associated with the Army Water Line.

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.

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

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.

CAPITAL ASSETS

At the end of 2026 and 2025, the Authority had \$113,396,835 and \$95,179,000 (net of accumulated depreciation and amortization) invested in a broad range of capital assets, including the Materials Management Facility, Telecommunications, Water Quality Facilities, equipment and vehicles. The 2026 increase over 2025 of \$18,217,835 is mainly associated with the design and construction of a new landfill cell.

LONG-TERM DEBT ADMINISTRATION

As of March 31, 2026 and 2025, the Authority has the following revenue bond series outstanding:

<u>Bond Series</u>	Bonds outstanding as of March 31, 2026	Bonds outstanding as of March 31, 2025	Principal due 2027
Series 2015	\$ 5,855,000	6,155,000	310,000
Series 2019	9,110,000	9,410,000	315,000
Series 2025	6,845,036	7,386,411	625,668
Premium on bonds	<u>1,031,198</u>	<u>1,086,475</u>	<u>55,277</u>
Total	\$ <u>22,841,234</u>	<u>24,037,886</u>	<u>1,305,945</u>

As of March 31, 2026 and 2025, the Authority has loans payable as follows:

<u>Loans Payable</u>	Loans outstanding as of March 2026	Loans outstanding as of March 2025	Principal due 2027
Loans payable	\$ <u>10,035,370</u>	<u>10,020,188</u>	<u>7,574,259</u>

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

As of March 31, 2026 and 2025, the Authority has the following leases payable outstanding:

<u>Leases Payable</u>	Leases payable as of March <u>31, 2026</u>	Leases payable as of March <u>31, 2025</u>	Principle due <u>2027</u>
New York State Office of General Services	\$ 43,199	144,899	43,199
Canton Office	23,728	-	7,560
Town of Indian Lake	27,000	54,000	27,000
Franklin Street	165,852	-	21,017
Brewerton Fire Department	<u>52,295</u>	<u>-</u>	<u>52,295</u>
	<u>\$ 312,074</u>	<u>198,899</u>	<u>151,071</u>

As of March 31, 2026 and 2025, the Authority has the following subscription liabilities outstanding:

<u>Subscription Liability</u>	Subscription liability as of <u>March 31, 2026</u>	Subscription liability as of <u>March 31, 2025</u>	Principal due <u>2027</u>
Barracuda	\$ <u>77,563</u>	<u>97,797</u>	<u>20,234</u>

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, 2026 and 2025

	<u>Assets</u>	<u>2026</u>	<u>2025</u>
Current assets:			
Cash and equivalents		\$ 6,265,373	4,266,533
Accounts receivable, net		5,030,661	7,428,007
Accrued unbilled revenue		787,299	773,297
Interest receivable		134,013	112,668
Inventory		16,599	14,430
Prepaid expenses		991,945	912,858
Total current assets		<u>13,225,890</u>	<u>13,507,793</u>
Noncurrent assets:			
Loans receivable, net		35,983,812	35,230,858
Investments		12,842,785	12,571,342
Funds held by trustee		2,036,613	1,746,289
Other postemployment benefits reserve fund		6,631,408	5,980,351
Restricted assets		85,829,334	88,844,892
Capital assets, nondepreciable		33,277,478	10,748,271
Capital assets, net of accumulated depreciation/amortization		<u>80,119,357</u>	<u>84,430,729</u>
Total noncurrent assets		<u>256,720,787</u>	<u>239,552,732</u>
Total assets		<u>269,946,677</u>	<u>253,060,525</u>
<u>Deferred Outflows of Resources</u>			
Pension		2,611,173	3,316,970
OPEB		<u>2,131,133</u>	<u>2,342,228</u>
Total deferred outflows of resources		<u>4,742,306</u>	<u>5,659,198</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable		3,542,539	4,006,903
Accrued expenses		959,434	941,902
Interest payable		129,431	138,368
Unearned revenue		520,991	531,059
Bonds payable, including premiums		1,305,945	1,196,651
Loans payable		7,574,259	7,519,138
Leases payable		151,071	155,700
Subscriptions payable		<u>20,234</u>	<u>20,234</u>
Total current liabilities		<u>14,203,904</u>	<u>14,509,955</u>
Noncurrent liabilities:			
Economic development revolving loan fund		11,801,834	11,415,450
Unearned revenue, excluding current portion		25,505,195	8,491,337
Bonds payable, including premiums, excluding current portion		21,535,289	22,841,235
Loans payable, excluding current portion		2,461,111	2,501,050
Leases payable, excluding current portion		161,003	43,199
Subscriptions payable, excluding current portion		57,329	77,563
Due to U.S. Army		749,985	749,985
Landfill liability		18,023,290	19,691,609
Total OPEB liability		6,623,553	6,729,158
Net pension liability - ERS - proportionate share		<u>3,694,455</u>	<u>3,163,360</u>
Total noncurrent liabilities		<u>90,613,044</u>	<u>75,703,946</u>
Total liabilities		<u>104,816,948</u>	<u>90,213,901</u>
<u>Deferred Inflows of Resources</u>			
Pension		161,062	1,732,729
OPEB		<u>2,807,430</u>	<u>2,518,733</u>
Total deferred inflows of resources		<u>2,968,492</u>	<u>4,251,462</u>
<u>Net Position</u>			
Net investment in capital assets		80,130,594	60,824,230
Restricted		74,659,687	85,166,410
Unrestricted		<u>12,113,262</u>	<u>18,263,720</u>
Total net position		<u>\$ 166,903,543</u>	<u>164,254,360</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, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Operating revenue:		
Customer billings	\$ 31,412,035	27,197,410
Grant revenue	2,744,971	9,851,491
Loan interest income	592,266	504,725
Landfill gas to energy revenue	673,905	591,560
Carbon credits	1,027,775	866,068
Other revenue	851,438	435,448
	<u>37,302,390</u>	<u>39,446,702</u>
Total operating revenue		
Operating expenses:		
Salaries and wages	8,258,527	7,860,162
Payroll taxes and fringe benefits	3,257,420	3,913,920
Operation and maintenance	3,562,886	3,311,245
Wastewater treatment	2,010,662	1,864,235
Water purchases	922,295	928,362
Community benefits	1,359,582	1,168,682
Closure and post-closure costs	2,537,708	1,788,558
Office and administrative	612,114	470,426
Insurance	766,891	684,726
Automobile	582,775	531,821
Utilities	303,597	227,547
Materials and supplies	315,341	312,662
Professional fees	511,994	353,072
Computer	427,723	372,301
NYS administrative assessment	122,000	122,000
Repairs and maintenance	255,915	204,095
Depreciation and amortization	11,008,034	11,202,255
Bad debt expense	314,848	191,424
	<u>37,130,312</u>	<u>35,507,493</u>
Total operating expenses		
Operating income	<u>172,078</u>	<u>3,939,209</u>
Nonoperating revenue (expense):		
Pass-through grant revenue	2,750,252	2,291,673
Pass-through grant expense	(2,750,252)	(2,291,673)
Investment income	3,525,182	4,116,710
Gain on sale of capital assets	377,206	636,348
Debt issuance costs	(4,269)	(111,970)
Interest expense	(1,421,014)	(1,302,647)
	<u>2,477,105</u>	<u>3,338,441</u>
Total nonoperating revenue (expense)		
Change in net position	2,649,183	7,277,650
Net position at beginning of year	<u>164,254,360</u>	<u>156,976,710</u>
Net position at end of year	<u>\$ 166,903,543</u>	<u>164,254,360</u>

See accompanying notes to financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Statements of Cash Flows
Years ended March 31, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Receipts from customers	\$ 53,191,599	23,829,550
Receipts from grants	2,744,971	9,851,491
Cash payments to suppliers	(16,820,270)	(9,816,127)
Cash payments to employees	(11,439,003)	(10,817,563)
Net cash provided by operating activities	<u>27,677,297</u>	<u>13,047,351</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(29,225,869)	(17,269,372)
Proceeds from sale of capital assets	377,206	704,810
Issuance of bonds payable	-	7,386,411
Repayments of bonds payable	(1,141,375)	(575,000)
Amortization of bonds payable	(55,277)	(55,277)
Issuance of loans payable	873,564	3,713,461
Repayments of loans payable	(858,382)	(10,769,583)
Issuance of leases payable	314,499	54,000
Repayments of leases payable	(201,324)	(108,242)
Issuance of subscriptions payable	-	101,168
Repayments of subscriptions payable	(20,234)	(14,526)
Debt issuance costs	(4,269)	(111,970)
Interest paid	(1,429,951)	(1,429,054)
Net cash used in capital and related financing activities	<u>(31,371,412)</u>	<u>(18,373,174)</u>
Cash flows from investing activities:		
Interest revenue	3,503,837	4,090,028
Net proceeds (purchases) of investments	(271,443)	2,478,184
Deposits into other postemployment benefits reserve fund	(651,057)	(125,537)
Net proceeds (purchases) of restricted assets	3,015,558	(2,385,248)
Change in funds held by trustee	96,060	(532,714)
Net cash provided by investing activities	<u>5,692,955</u>	<u>3,524,713</u>
Net change in cash and equivalents	1,998,840	(1,801,110)
Cash and equivalents at beginning of year	<u>4,266,533</u>	<u>6,067,643</u>
Cash and equivalents at end of year	<u>\$ 6,265,373</u>	<u>4,266,533</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Operating income	\$ 172,078	3,939,209
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	10,853,367	11,075,420
Amortization expense	154,667	126,835
Bad debt expense	314,848	191,424
Changes in:		
Accounts receivable	2,082,498	(4,410,810)
Accrued unbilled revenue	(14,002)	(160,590)
Inventory	(2,169)	4,032
Prepaid expenses	(79,087)	(171,971)
Loans receivable	(752,954)	(2,484,735)
Deferred outflows of resources	916,892	(1,966,750)
Accounts payable	(464,364)	1,117,810
Accrued expenses	17,532	177,551
Unearned revenue	17,003,790	1,099,050
Landfill liability	(1,668,319)	1,765,158
Total OPEB liability	(105,605)	2,000,921
Net pension liability - proportionate share - ERS	531,095	(1,201,760)
Deferred inflows of resources	(1,282,970)	1,946,557
Net cash provided by operating activities	<u>\$ 27,677,297</u>	<u>13,047,351</u>

See accompanying notes to financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements

March 31, 2026 and 2025

(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.

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

(1) Summary of Significant Accounting Policies, Continued

(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.

(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 December 2054.

(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 \$404,861 and \$406,339 was considered necessary at March 31, 2026 and 2025, 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.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(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.

(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. The unamortized bond premium associated with the Series 2025 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.

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

(1) Summary of Significant Accounting Policies, Continued

(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.

(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.

(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. 103 - Financial Reporting Model Improvements. Effective for the Authority's year ending March 31, 2027.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for the Authority's year ending March 31, 2027.

Statement No. 105 - Subsequent Events. Effective for the Authority's year ending March 31, 2028.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(2) Net Position

(a) Restricted Net Position

The Authority maintains the following in restricted net position as of March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Community rental housing program	\$ 13,404,748	13,403,693
Community development loan fund	10,291,126	10,345,059
Affordable housing program	23,837,441	23,291,136
Army water and sewer line reserves	1,800,000	1,800,000
Regional waterline operating and debt service reserves	403,276	403,329
Wetlands mitigation	346,530	332,909
Reserve for liner expansion and replacement	11,591,643	22,707,317
Reserve for open access telecommunication networks	5,156,216	4,864,905
Closure/post-closure prefunding reserve	<u>7,828,707</u>	<u>8,018,062</u>
Total restricted net position	<u>\$ 74,659,687</u>	<u>85,166,410</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, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Board designated net position:		
Administrative reserve/supplemental insurance	\$ 4,000,000	4,000,000
Infrastructure development	223,107	223,107
Capital reserves	36,279	239,120
Materials management - tip fee stabilization and landfill gas reserves	3,408,398	3,263,230
Economic development fund	5,597,017	5,505,614
Affordable housing	<u>3,000,000</u>	<u>3,000,000</u>
Total Board designated net position	16,264,801	16,231,071
Undesignated net position (deficit)	<u>(4,151,539)</u>	<u>2,032,649</u>
Total unrestricted net position	<u>\$ 12,113,262</u>	<u>18,263,720</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, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Demand deposits	\$ 3,771,894	3,217,498
Time deposits	<u>2,493,479</u>	<u>1,049,035</u>
	<u>\$ 6,265,373</u>	<u>4,266,533</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.

All investments were fully secured at March 31, 2026 and 2025. Total non-restricted investments by type are as follows at March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Certificates of deposit	\$ 4,811,036	3,804,972
United States Treasury obligations/government agencies	5,491,347	6,415,769
Money market	2,476,277	2,273,983
Accrued interest receivable	<u>64,125</u>	<u>76,618</u>
	<u>\$ 12,842,785</u>	<u>12,571,342</u>

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

(3) Cash and Equivalents, Continued

Custodial Credit Risk - Deposits

At March 31, 2026 and 2025, the Authority had the following deposits that were exposed to custodial credit risk:

	2026	
	Book Balance	Bank Balance
Cash and equivalents	\$ 6,265,373	6,781,284
Other deposits included in restricted assets and investments	<u>9,622,669</u>	<u>9,622,669</u>
	<u>\$ 15,888,042</u>	<u>16,403,953</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>15,903,798</u>
		<u>\$ 16,403,953</u>
	2025	
	Book Balance	Bank Balance
Cash and equivalents	\$ 4,266,533	4,952,123
Other deposits included in restricted assets and investments	<u>10,161,134</u>	<u>10,161,134</u>
	<u>\$ 14,427,667</u>	<u>15,113,257</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>15,814,904</u>
		<u>\$ 16,315,059</u>

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

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(4) Restricted Assets and Other Postemployment Benefits Reserve Fund

Restricted assets are held for the following purposes at March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Landfill closure and post-closure care	\$ 25,615,895	26,748,751
Telecommunications network	17,518,104	8,517,528
Replacement and liner at materials management facility	11,847,661	22,494,241
Affordable housing program	14,288,439	14,755,557
North Country economic development	8,384,561	8,432,024
Community rental housing program	1,911,865	1,778,266
Community development loan fund	2,593,807	2,504,800
Army water and sewer line	2,884,625	2,861,124
Regional waterline operating and debt service reserves	437,847	419,693
Wetlands mitigation	<u>346,530</u>	<u>332,908</u>
	<u>\$ 85,829,334</u>	<u>88,844,892</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, 2026 and 2025.

Restricted assets consisted of the following at March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Certificates of deposit	\$ 17,679,347	26,154,106
United States Treasury obligations/government agencies	43,823,455	34,806,045
Money market	24,058,205	27,553,430
Accrued interest receivable	<u>268,327</u>	<u>331,311</u>
	<u>\$ 85,829,334</u>	<u>88,844,892</u>

Other postemployment benefits reserve fund consisted of the following at March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Certificates of deposit	\$ 2,401,905	4,580,259
United States Treasury obligations/government agencies	3,094,993	1,263,435
Money market	1,106,515	121,661
Accrued interest receivable	<u>27,995</u>	<u>14,996</u>
	<u>\$ 6,631,408</u>	<u>5,980,351</u>

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

(5) Accounts Receivable

Accounts receivable are due within one year and consisted of the following at March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Materials management facility	\$ 1,167,027	1,378,202
Water quality	561,084	1,031,338
Telecommunications network	2,487,023	4,999,723
Engineering	119,102	127,162
Other	<u>820,777</u>	<u>141,568</u>
	5,155,013	7,677,993
Less allowance for doubtful accounts	<u>(124,352)</u>	<u>(249,986)</u>
Total accounts receivable, net	\$ <u>5,030,661</u>	<u>7,428,007</u>

(6) Loans Receivable

Loans receivable are summarized as follows at March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Affordable Housing Program	\$ 13,346,981	12,328,139
Community Rental Housing Program	11,616,805	11,746,552
Community Development Loan Fund	7,490,280	7,962,913
North Country Economic Loan Fund	3,393,481	2,966,863
Development Authority Economic Development Loan Fund	<u>541,126</u>	<u>632,730</u>
	36,388,673	35,637,197
Less allowance for loan loss	<u>(404,861)</u>	<u>(406,339)</u>
Loans receivable, net	\$ <u>35,983,812</u>	<u>35,230,858</u>

Activity in the allowance for loan losses is as follows for the years ended March 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Balance at beginning of year	\$ 406,339	377,364
Change in allowance for doubtful accounts	<u>(1,478)</u>	<u>28,975</u>
Balance at end of year	\$ <u>404,861</u>	<u>406,339</u>

There were no impaired loans at March 31, 2026 and 2025.

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

(7) Capital Assets

Capital asset and lease activity for the years ended March 31, 2026 and 2025 was as follows:

	Balance at <u>April 1, 2025</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Balance at <u>March 31, 2026</u>
Nondepreciable assets:					
Land	\$ 1,620,224	-	-	-	1,620,224
Construction in progress	9,128,047	28,911,370	(6,382,163)	-	31,657,254
Total nondepreciable assets	<u>10,748,271</u>	<u>28,911,370</u>	<u>(6,382,163)</u>	<u>-</u>	<u>33,277,478</u>
Depreciable/amortizable assets:					
Construction	220,493,075	-	2,927,516	-	223,420,591
Equipment	37,816,849	-	3,303,349	(1,310,078)	39,810,120
Vehicles	1,792,452	-	151,298	(163,770)	1,779,980
Leasehold improvements	72,308	-	-	-	72,308
Right-to-use buildings	390,024	314,499	-	(32,956)	671,567
Right-to-use subscriptions	101,169	-	-	-	101,169
Total depreciable/amortizable assets	<u>260,665,877</u>	<u>314,499</u>	<u>6,382,163</u>	<u>(1,506,804)</u>	<u>265,855,735</u>
Accumulated depreciation and amortization:					
Construction	(146,928,938)	(7,340,755)	-	-	(154,269,693)
Equipment	(28,197,095)	(3,207,585)	-	1,310,078	(30,094,602)
Vehicles	(842,057)	(305,027)	-	163,770	(983,314)
Leasehold improvements	(72,308)	-	-	-	(72,308)
Right-to-use buildings	(191,378)	(134,433)	-	32,956	(292,855)
Right-to-use subscriptions	(3,372)	(20,234)	-	-	(23,606)
Total accumulated depreciation and amortization	<u>(176,235,148)</u>	<u>(11,008,034)</u>	<u>-</u>	<u>1,506,804</u>	<u>(185,736,378)</u>
Total capital assets being depreciated and amortized, net	<u>84,430,729</u>	<u>(10,693,535)</u>	<u>6,382,163</u>	<u>-</u>	<u>80,119,357</u>
Capital assets, net	<u>\$ 95,179,000</u>	<u>18,217,835</u>	<u>-</u>	<u>-</u>	<u>113,396,835</u>

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

(7) Capital Assets, Continued

	Balance at April 1, 2024	Additions	Transfers	Disposals	Balance at March 31, 2025
Nondepreciable assets:					
Land	\$ 1,620,224	-	-	-	1,620,224
Construction in progress	6,372,299	17,114,203	(14,358,455)	-	9,128,047
Total nondepreciable assets	<u>7,992,523</u>	<u>17,114,203</u>	<u>(14,358,455)</u>	<u>-</u>	<u>10,748,271</u>
Depreciable/amortizable assets:					
Construction	210,310,942	-	10,299,802	(117,669)	220,493,075
Equipment	38,536,426	-	3,533,668	(4,253,245)	37,816,849
Vehicles	1,695,058	-	524,985	(427,591)	1,792,452
Leasehold improvements	72,308	-	-	-	72,308
Right-to-use buildings	336,024	54,000	-	-	390,024
Right-to-use subscriptions	145,785	101,169	-	(145,785)	101,169
Total depreciable/amortizable assets	<u>251,096,543</u>	<u>155,169</u>	<u>14,358,455</u>	<u>(4,944,290)</u>	<u>260,665,877</u>
Accumulated depreciation and amortization:					
Construction	(139,202,133)	(7,833,350)	-	106,545	(146,928,938)
Equipment	(29,406,591)	(2,987,475)	-	4,196,971	(28,197,095)
Vehicles	(1,013,989)	(254,595)	-	426,527	(842,057)
Leasehold improvements	(72,308)	-	-	-	(72,308)
Right-to-use buildings	(79,070)	(112,308)	-	-	(191,378)
Right-to-use subscriptions	(134,630)	(14,527)	-	145,785	(3,372)
Total accumulated depreciation and amortization	<u>(169,908,721)</u>	<u>(11,202,255)</u>	<u>-</u>	<u>4,875,828</u>	<u>(176,235,148)</u>
Total capital assets being depreciated and amortized, net	<u>81,187,822</u>	<u>(11,047,086)</u>	<u>14,358,455</u>	<u>(68,462)</u>	<u>84,430,729</u>
Capital assets, net	<u>\$ 89,180,345</u>	<u>6,067,117</u>	<u>-</u>	<u>(68,462)</u>	<u>95,179,000</u>

(8) Right-to-Use Assets

(a) Leases

The Authority leases five buildings. At March 31, 2026 and 2025, the Authority has a net right-to-use asset for buildings of \$378,712 and \$198,646, respectively, as well as leases payable of \$312,074 and \$198,899, respectively. The right-to-use assets are 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>
2027	\$ 151,071	10,839	161,910
2028	29,640	7,800	37,440
2029	30,751	6,689	37,440
2030	23,273	5,527	28,800
2031	12,599	4,705	17,304
2032-2035	<u>64,740</u>	<u>9,828</u>	<u>74,568</u>
	<u>\$ 312,074</u>	<u>45,388</u>	<u>357,462</u>

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

(8) Right-to-Use Assets, Continued

(b) Subscriptions

The Authority has one subscription arrangement that qualifies under GASB 96. At March 31, 2026 and 2025, the Authority has a net right-to-use asset for subscriptions as well as subscriptions payable for subscriptions of \$77,563 and \$97,797, respectively. No interest component has been recognized as the interest portion would be immaterial. The following is the amortization schedule of the subscription payable:

<u>Year ending</u>	<u>Principal</u>
2027	\$ 20,234
2028	20,234
2029	20,234
2030	<u>16,861</u>
	<u>\$ 77,563</u>

(9) Long-Term Liabilities

Long-term liability activity for the years ended March 31, 2026 and 2025 was as follows:

	<u>Balance at April 1, 2025</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at March 31, 2026</u>	<u>Due within one year</u>
Loans payable	\$ 10,020,188	873,564	858,382	10,035,370	7,574,259
Bonds payable	22,951,411	-	1,141,375	21,810,036	1,250,668
Premium on bonds	1,086,475	-	55,277	1,031,198	55,277
Net pension liability - ERS	3,163,360	531,095	-	3,694,455	-
Total OPEB liability	6,729,158	-	105,605	6,623,553	-
Lease liability	198,899	314,499	201,324	312,074	151,071
Subscription liability	97,797	-	20,234	77,563	20,234
Landfill liability	19,691,609	-	1,668,319	18,023,290	-
Due to U.S. Army	749,985	-	-	749,985	-
Total long-term liabilities	<u>\$ 64,688,882</u>	<u>1,719,158</u>	<u>4,050,516</u>	<u>62,357,524</u>	<u>9,051,509</u>

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

(9) Long-Term Liabilities, Continued

	Balance at <u>April 1, 2025</u>	<u>Increases</u>	<u>Decreases</u>	Balance at <u>March 31, 2026</u>	Due within <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.	\$ 714,000	-	50,000	664,000	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.	776,128	-	56,178	719,950	58,706
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.	548,466	97,500	30,204	615,762	29,895
Unsecured note payable to Community Bank. The loan is short-term and due during fiscal year 2025, including interest at 6.62%.	<u>7,381,594</u>	<u>776,064</u>	<u>722,000</u>	<u>7,435,658</u>	<u>7,435,658</u>
Total loans payable	<u>\$ 10,020,188</u>	<u>873,564</u>	<u>858,382</u>	<u>10,035,370</u>	<u>7,574,259</u>

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

(9) Long-Term Liabilities, Continued

	<u>Balance at</u> <u>April 1, 2025</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>March 31, 2026</u>	<u>Due within</u> <u>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%.	\$ 6,155,000	-	300,000	5,855,000	310,000
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%.	9,410,000	-	300,000	9,110,000	315,000
Series 2025 bonds maturing in annual amounts ranging from \$541,374 to \$912,036 through 2035 bearing interest ranging from 4.55% to 5.10%.	7,386,411	-	541,375	6,845,036	625,668
Total bonds payable	\$ 22,951,411	-	1,141,375	21,810,036	1,250,668
	<u>Balance at</u> <u>April 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>March 31, 2025</u>	<u>Due within</u> <u>one year</u>
Loans payable	\$ 17,076,310	3,713,461	10,769,583	10,020,188	7,519,138
Bonds payable	16,140,000	7,386,411	575,000	22,951,411	1,141,374
Premium on bonds	1,141,752	-	55,277	1,086,475	55,277
Net pension liability - ERS	4,365,120	-	1,201,760	3,163,360	-
Total OPEB liability	4,728,237	2,000,921	-	6,729,158	-
Lease liability	253,141	54,000	108,242	198,899	155,700
Subscription liability	11,155	101,169	14,527	97,797	20,234
Landfill liability	17,926,451	1,765,158	-	19,691,609	-
Due to U.S. Army	749,985	-	-	749,985	-
Total long-term liabilities	\$ 62,392,151	15,021,120	12,724,389	64,688,882	8,891,723
	<u>Balance at</u> <u>April 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>March 31, 2025</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.	\$ 764,000	-	50,000	714,000	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.	829,886	-	53,758	776,128	56,178

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

(9) Long-Term Liabilities, Continued

	<u>Balance at April 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at March 31, 2025</u>	<u>Due within one year</u>
Loans payable, continued:					
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.	552,086	13,731	17,351	548,466	31,366
Unsecured note payable to Community Bank. The loan is short-term and due during fiscal year 2027, including interest at 6.62%.	3,681,864	3,699,730	-	7,381,594	7,381,594
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%.	10,648,474	-	10,648,474	-	-
Total loans payable	<u>\$ 17,076,310</u>	<u>3,713,461</u>	<u>10,769,583</u>	<u>10,020,188</u>	<u>7,519,138</u>
	<u>Balance at April 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at March 31, 2025</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%.	\$ 6,445,000	-	290,000	6,155,000	300,000
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%.	9,695,000	-	285,000	9,410,000	300,000
Series 2025 bonds maturing in annual amounts ranging from \$541,374 to \$912,036 through 2035 bearing interest ranging from 4.55% to 5.10%.	-	7,386,411	-	7,386,411	541,374
Total bonds payable	<u>\$ 16,140,000</u>	<u>7,386,411</u>	<u>575,000</u>	<u>22,951,411</u>	<u>1,141,374</u>

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

(9) Long-Term Liabilities, Continued

Future minimum payments for the Authority's loans payable are as follows as of March 31, 2026:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 7,574,259	44,680	7,618,939
2028	141,704	41,504	183,208
2029	145,287	38,126	183,413
2030	148,708	34,613	183,321
2031	152,261	30,963	183,224
2032 - 2036	788,310	95,045	883,355
2037 - 2041	277,773	27,624	305,397
2042 - 2046	125,720	15,775	141,495
2047 - 2049	<u>681,348</u>	<u>3,271</u>	<u>684,619</u>
	\$ <u>10,035,370</u>	<u>331,601</u>	<u>10,366,971</u>

There is one loan with a balance of \$7,435,658 included in the 2026 loan payments above. This loan is expected to become a long-term loan. Until the long-term loan is secured, this loan is considered short-term.

Interest paid on loans payable during the years ended March 31, 2026 and 2025 was \$559,585 and \$417,142, respectively.

Future minimum payments for the Authority's bonds payable are as follows as of March 31, 2026:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 1,250,668	851,690	2,102,358
2028	1,324,795	796,001	2,120,796
2029	1,365,200	737,618	2,102,818
2030	1,427,402	676,249	2,103,651
2031	1,486,838	612,536	2,099,374
2032 - 2036	7,525,133	2,024,575	9,549,708
2037 - 2041	4,950,000	847,188	5,797,188
2042 - 2045	<u>2,480,000</u>	<u>164,450</u>	<u>2,644,450</u>
	\$ <u>21,810,036</u>	<u>6,710,307</u>	<u>28,520,343</u>

Interest paid on bonds payable during the years ended March 31, 2026 and 2025 was \$909,524 and \$873,808, respectively.

The Authority also has a line of credit available in the amount of \$3,636,938 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 years 2026 and 2025. The Authority does not anticipate any funds being drawn from the letter of credit for the life of the grant.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(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 \$25,615,895 and \$26,748,751 at March 31, 2026 and 2025, respectively, and which is reported under restricted assets, which represents the cumulative amount reported to date based on the use of 50%, as of March 31, 2026 and 2025, of the estimated capacity of both landfills. The Authority has a landfill liability of \$18,023,290 and \$19,691,609 as of March 31, 2026 and 2025, respectively. 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 originally permitted landfill in 2026 but has 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 position as the Facility needs to replace capital assets in order to meet the future revenue bonds debt service payments. In 2026 and 2025, tipping fees of \$1,744,055 and \$1,554,512, 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.

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

(10) Materials Management Facility, Continued

(c) Liner

The new landfill consists of a total of nine cells. The build out of the first three cells has been completed. The remaining six cells will be built over the next 36 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 2026 and 2025, tipping fees of \$2,740,658 and \$2,220,731, 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 \$346,530 and \$332,908 at March 31, 2026 and 2025, respectively.

(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 \$1,758,257 and \$2,159,940 in 2026 and 2025, 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. The Authority also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in

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

(11) Pension Plan, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System, Continued

the form of life insurance. GLIP amounts are appointed to and included in ERS. That report, including information with regard to benefits provided may be found at www.osc.state.ny/retirement/financial-statements-and-supplementary-information.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 6% 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 Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension

At March 31, 2026 and 2025, the Authority reported the following for its proportionate share of the System. The net pension System was measured as of March 31, 2025 and 2024, respectively. The total pension liability used to calculate the net pension System was determined by an actuarial valuation. The Authority's proportionate share of the net pension System 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.

	<u>2025</u>	<u>2024</u>
Measurement date	3/31/2025	3/31/2024
Net pension liability	\$ 3,694,455	3,163,360
Authority's proportion of the System's net pension liability	0.0215474%	0.0214843%
Changes in proportionate share from prior year	0.0000631	0.0011284

For the years ended March 31, 2026 and 2025, the Authority recognized pension expense of \$807,073 and \$1,388,947, respectively, for the System in the Statements of Revenue, Expenses and Changes in Net Position.

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

(11) Pension Plan, Continued

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

At March 31, 2026 and 2025, the Authority's reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>2026</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 916,989	43,255
Changes of assumptions	154,938	-
Net difference between projected and actual investment earnings on pension plan investments	289,857	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	100,496	117,807
Authority's contributions subsequent to the measurement date	<u>1,148,893</u>	<u>-</u>
Total	\$ <u>2,611,173</u>	<u>161,062</u>
	<u>2025</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,018,916	86,257
Changes of assumptions	1,195,995	-
Net difference between projected and actual investment earnings on pension plan investments	-	1,545,284
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	145,592	101,188
Authority's contributions subsequent to the measurement date	<u>956,467</u>	<u>-</u>
Total	\$ <u>3,316,970</u>	<u>1,732,729</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(11) Pension Plan, Continued

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

Authority contributions subsequent to the measurement date will be recognized as a change of the net pension System in the year ending March 31, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

<u>Year ending</u>	
2027	\$ 642,037
2028	940,952
2029	(305,287)
2030	<u>23,516</u>
	<u>\$ 1,301,218</u>

(c) Actuarial Assumptions

The total pension liability at March 31, 2026 was determined using a roll forward procedure to advance the liability calculated using system assumptions and member demographics from the actuarial valuation completed as of April 1, 2025. Economic assumptions used in the April 1, 2025 actuarial valuation include:

Actuarial valuation date	April 1, 2025
Measurement date	March 31, 2026
Inflation	2.9%
Salary increases	4.3%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost-of-living adjustments	1.5%

To set the long-term rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates at return (expected return, net of investment expenses and inflation) 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.

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

(11) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

Demographic assumptions used in the April 1, 2025 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2021. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed income	22%	2.00%
Cash	<u>1%</u>	0.25%
	<u>100%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.9%.

(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 those 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.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(11) Pension Plan, Continued

(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:

	2026		
	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Employer's proportionate share of the net pension asset (liability)	\$ <u>(10,692,217)</u>	<u>(3,694,455)</u>	<u>2,148,681</u>
	2025		
	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Employer's proportionate share of the net pension asset (liability)	\$ <u>(9,945,927)</u>	<u>(3,163,360)</u>	<u>2,501,490</u>

(f) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of all participating employers as of the measurement dates, were as follows:

	(Dollars in Millions)	
	2026	2025
Employers' total pension liability	\$ (247,600)	(240,697)
Fiduciary net position	<u>230,454</u>	<u>225,973</u>
Employers' net pension liability	\$ <u>(17,146)</u>	<u>(14,724)</u>
Ratio of fiduciary net position to the Employers' total pension liability	93.08%	93.88%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of March 31, 2026 and 2025 represent the projected employer contribution for the period of April 1, 2025 through March 31, 2026 and through April 1, 2024 through March 31, 2025, 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, 2026 and 2025 were \$1,140,690 and \$949,638, respectively.

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

(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 Statement No. 75, paragraph 4.

(b) Employees Covered By Benefit Terms

At March 31, 2026 and 2025, the following employees were covered by the benefit terms:

	<u>2026</u>	<u>2025</u>
Inactive members	21	20
Active members	<u>96</u>	<u>96</u>
	<u>117</u>	<u>116</u>

(c) Total OPEB Liability

The Authority's total OPEB liability of \$6,623,553 and \$6,729,158 was measured as of December 31, 2025 and 2024, respectively, and was determined by an actuarial valuation as of March 24, 2026.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the March 24, 2026 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3.30%
Discount rate	4.41%
Healthcare cost trend rates	6.10% declining to an ultimate rate of 3.70%
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables

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

(12) Other Postemployment Benefits, Continued

(e) Changes in the Total OPEB Liability

	<u>2026</u>	<u>2025</u>
Total OPEB liability at beginning of year	\$ <u>6,729,158</u>	<u>4,728,237</u>
Changes for the year:		
Service cost	318,498	108,768
Interest	285,457	223,681
Differences between expected and actual experience	(234,569)	(505,284)
Changes in assumptions or other inputs	(289,299)	2,301,677
Benefit payments	<u>(185,692)</u>	<u>(127,921)</u>
Total changes	<u>(105,605)</u>	<u>2,000,921</u>
Total OPEB liability at end of year	\$ <u>6,623,553</u>	<u>6,729,158</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>2026</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>7,740,624</u>	<u>6,623,553</u>	<u>5,729,149</u>

	<u>2025</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>7,900,808</u>	<u>6,729,158</u>	<u>5,798,572</u>

(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:

	<u>2026</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>5,638,205</u>	<u>6,623,553</u>	<u>7,870,506</u>

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, Continued

	<u>2025</u>		
	<u>1%</u>	<u>Healthcare</u>	<u>1%</u>
	<u>Decrease</u>	<u>Cost Trend</u>	<u>Increase</u>
		<u>Rates</u>	
Total OPEB liability	\$ <u>5,718,797</u>	<u>6,729,158</u>	<u>8,015,042</u>

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

For the years ended March 31, 2026 and 2025, the Authority recognized OPEB expense of \$594,673 and \$392,006, respectively. At March 31, 2026 and 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2026</u>	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 78,863	1,355,967
Changes of assumptions or other inputs	2,005,847	1,451,463
Authority's contributions subsequent to the measurement date	<u>46,423</u>	<u>-</u>
Total	\$ <u>2,131,133</u>	<u>2,807,430</u>

	<u>2025</u>	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 83,244	1,251,877
Changes of assumptions or other inputs	2,227,355	1,266,856
Authority's contributions subsequent to the measurement date	<u>31,629</u>	<u>-</u>
Total	\$ <u>2,342,228</u>	<u>2,518,733</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

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

<u>Year ending</u>		
2027	\$	(9,282)
2028		(9,282)
2029		(9,282)
2030		(9,282)
2031		(9,282)
Thereafter		(676,310)
	\$	<u>(722,720)</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.

(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 \$1,140,198 and \$961,156 in 2026 and 2025, respectively.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(13) Contractual Agreements, Continued

(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 \$673,905 and \$591,560 in 2026 and 2025, 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.

(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.

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

(13) Contractual Agreements, Continued

(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. This project was completed during the year ended March 31, 2026, and, therefore, this agreement has no effect on the Authority subsequent to year end. 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.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
 Required Supplementary Information
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Year ended March 31, 2026

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability:								
Service cost	\$ 318,498	108,768	279,878	275,575	259,524	259,524	248,401	248,401
Interest	285,458	223,681	184,189	184,189	187,290	187,290	169,281	169,281
Differences between expected and actual experience	(234,569)	(505,284)	(52,703)	92,006	-	(862,191)	-	(99,163)
Changes in assumptions or other inputs	(289,299)	2,301,677	(50,843)	(1,349,365)	-	-	-	208,511
Benefit payments	(185,693)	(127,921)	(94,999)	(62,577)	(74,049)	(67,705)	(59,298)	(53,275)
Net change in total OPEB liability	(105,605)	2,000,921	265,522	(860,172)	372,765	(483,082)	358,384	473,755
Total OPEB liability - beginning	<u>6,729,158</u>	<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>	<u>4,601,065</u>
Total OPEB liability - ending	<u>\$ 6,623,553</u>	<u>6,729,158</u>	<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	\$ 6,076,423	6,025,709	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	109.00%	111.67%	103.11%	97.32%	130.42%	129.59%	126.72%	137.92%

Notes to schedule:

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>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	4.41%	4.16%	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, 2026

NYSERS Pension Plan

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's proportion of the net pension asset/liability	0.0215474%	0.0214843%	0.0203559%	0.0211131%	0.0195636%	0.0198206%	0.0178475%	0.0177834%	0.0175474%	0.0168838%
Authority's proportionate share of the net pension asset (liability)	\$ (3,694,455)	(3,163,360)	(4,365,120)	1,725,909	(19,480)	(5,248,617)	(1,309,024)	(573,949)	(1,648,794)	(2,709,904)
Authority's covered payroll	\$ 7,267,763	6,664,122	6,397,012	5,970,353	5,847,483	5,642,812	5,462,255	4,970,504	4,620,918	4,355,501
Authority's proportionate share of the net pension asset/liability as a percentage of its covered payroll	50.83%	47.47%	68.24%	28.91%	0.33%	93.01%	23.96%	11.55%	35.68%	62.22%
Plan fiduciary net position as a percentage of the total pension asset/liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
 Required Supplementary Information
 Schedule of the Authority's Pension Contributions
 Year ended March 31, 2026

NYSERS Pension Plan

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 1,140,690	949,638	798,538	663,129	890,375	796,667	766,847	714,456	683,563	659,418
Contributions in relation to the contractually required contributions	<u>1,140,690</u>	<u>949,638</u>	<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>
Contributions deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's covered payroll	\$ 7,267,763	6,664,122	6,397,012	5,970,353	5,847,483	5,642,812	5,462,255	4,970,504	4,620,918	4,355,501
Contributions as a percentage of covered payroll	15.70%	14.25%	12.48%	11.11%	15.23%	14.12%	14.04%	14.37%	14.79%	15.14%

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
 Other Supplementary Information
 Schedule of Revenue, Expenses and Changes in Net Position by Department
 Year ended March 31, 2026

	General and Administration	Solid Waste Management Facility	Water Quality Operations	Telecommunication Network	Housing and Economic Development	Engineering	Total
Operating revenue:							
Customer billings	\$ -	13,991,280	10,252,915	6,305,458	277,111	585,271	31,412,035
Grant revenue	-	58,010	905,585	899,597	865,581	16,198	2,744,971
Loan interest income	-	-	-	-	592,266	-	592,266
Landfill gas to energy revenue	-	673,905	-	-	-	-	673,905
Carbon credits	-	1,027,775	-	-	-	-	1,027,775
Other revenue	363,708	28,979	417,610	19,872	21,080	189	851,438
Total operating revenue	<u>363,708</u>	<u>15,779,949</u>	<u>11,576,110</u>	<u>7,224,927</u>	<u>1,756,038</u>	<u>601,658</u>	<u>37,302,390</u>
Operating expenses:							
Salaries and wages	1,412,142	1,948,062	2,495,376	1,565,078	548,031	289,838	8,258,527
Payroll taxes and fringe benefits	525,256	850,929	1,052,096	516,939	200,549	111,651	3,257,420
Operation and maintenance	4,528	1,111,547	168,968	2,126,811	10,310	140,722	3,562,886
Wastewater treatment	-	491,925	1,518,737	-	-	-	2,010,662
Water purchases	-	-	922,295	-	-	-	922,295
Community benefits	-	1,140,198	-	-	219,384	-	1,359,582
Closure and post-closure costs	-	2,537,708	-	-	-	-	2,537,708
Office and administrative	118,874	150,238	104,246	31,843	169,299	37,614	612,114
Insurance	23,066	301,993	225,275	200,948	-	15,609	766,891
Automobile	125	58,086	411,959	77,761	3,107	31,737	582,775
Utilities	-	128,416	167,461	7,720	-	-	303,597
Materials and supplies	-	315,341	-	-	-	-	315,341
Professional fees	94,113	238,840	2,257	31,304	145,480	-	511,994
Computer	277,932	26,451	27,768	39,664	2,000	53,908	427,723
NYS administrative assessment	-	51,385	40,593	27,334	-	2,688	122,000
Repairs and maintenance	-	19,996	235,919	-	-	-	255,915
Depreciation and amortization	504,264	5,792,904	1,475,598	3,208,704	26,564	-	11,008,034
Bad debt expense	-	-	-	24,437	290,411	-	314,848
Water quality/engineering allocation	-	60,169	46,581	24,483	123	(131,356)	-
Administrative allocation	(2,452,145)	974,941	602,837	631,732	189,568	53,067	-
Total operating expenses	<u>508,155</u>	<u>16,199,129</u>	<u>9,497,966</u>	<u>8,514,758</u>	<u>1,804,826</u>	<u>605,478</u>	<u>37,130,312</u>
Operating income (loss)	<u>(144,447)</u>	<u>(419,180)</u>	<u>2,078,144</u>	<u>(1,289,831)</u>	<u>(48,788)</u>	<u>(3,820)</u>	<u>172,078</u>
Nonoperating revenue (expense):							
Pass-through grant revenue	2,750,252	-	-	-	-	-	2,750,252
Pass-through grant expense	(2,750,252)	-	-	-	-	-	(2,750,252)
Investment income	426,252	1,758,257	162,936	379,602	798,135	-	3,525,182
Gain on sale of capital assets	44,950	332,220	36	-	-	-	377,206
Debt issuance costs	-	-	(4,269)	-	-	-	(4,269)
Interest expense	(6,720)	(498,129)	(907,694)	-	(8,471)	-	(1,421,014)
Total nonoperating revenue (expense)	<u>464,482</u>	<u>1,592,348</u>	<u>(748,991)</u>	<u>379,602</u>	<u>789,664</u>	<u>-</u>	<u>2,477,105</u>
Change in net position	<u>\$ 320,035</u>	<u>1,173,168</u>	<u>1,329,153</u>	<u>(910,229)</u>	<u>740,876</u>	<u>(3,820)</u>	<u>2,649,183</u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
 Other Supplementary Information
 Schedule of North Country Economic Development Fund Activity
 Year ended March 31, 2026

Liability at beginning of year	\$ 11,415,450
Loan interest income	151,382
Miscellaneous income	122
Investment interest income	247,667
Investment banking fees	(2,787)
Consulting fees	<u>(10,000)</u>
Change in liability	<u>386,384</u>
Liability at end of year	<u><u>\$ 11,801,834</u></u>
Assets restricted for North Country Economic Development:	
Investments	8,382,868
Loan interest receivable	25,485
Loans receivable	<u>3,393,481</u>
Total assets/liability	<u><u>\$ 11,801,834</u></u>

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Schedule of Expenditures of Federal Awards
Year ended March 31, 2026

<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 Commerce - Middle Mile (Broadband) Grant Program - Direct Recipient	11.033	N/A	\$ 585,689	-
U.S. Department of Defense - Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation - Direct Recipient	12.003	NA	155,585	-
U.S. Department of Housing and Urban Development: Passed through St. Lawrence County - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	1106HR309-21	249,650	-
Passed through Town of Gouverneur - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	464HR122-20	119,250	-
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			368,900	-
Passed through Jefferson County - Home Investment Partnerships Program	14.239	M19-DC360512	1,130,563	-
Passed through Jefferson County - Home Investment Partnerships Program - American Rescue Plan Act - COVID-19	14.239	M19-DC360512	1,250,790	-
Total Home Investment Partnerships Program			2,381,353	-
Total U.S. Department of Housing and Urban Development			2,750,253	-
U.S. Environmental Protection Agency - Congressionally Mandated Projects - Direct Recipient	66.202	NA	750,000	-
Northern Border Regional Commission - Northern Border Regional Development - Direct Recipient	90.601	NA	45,150	-
U.S. Department of Homeland Security - passed through New York State Department of Homeland Security and Emergency Services - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NA	4,106	-
Total Expenditures of Federal Awards			\$ 4,290,783	-

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, 2026

(1) Basis of Presentation

The schedule of expenditures of federal awards (the schedule) 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.

(2) Basis of Accounting

The accompanying schedule 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

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The de minimis election allows the Authority to allocate 10% of indirect costs to grants with periods ending on or before September 30, 2024 and 15% of indirect costs to grants with periods after September 30, 2024. The Authority does not use the de minimis election.

(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, 2026, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated _____, 2026.

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
, 2026

**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, 2026. 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, 2026.

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 judgment 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
, 2026

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
 Schedule of Findings and Questioned Costs
 Year ended March 31, 2026

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 | _x_ | No |
| 2. Significant deficiency(ies) identified? | _____ | Yes | _x_ | None reported |
| 3. Noncompliance material to financial statements noted? | _____ | Yes | _x_ | No |

Federal Awards:

Internal control over major programs:

- | | | | | |
|--|-------|-----|-----|---------------|
| 4. Material weakness(es) identified? | _____ | Yes | _x_ | No |
| 5. Significant deficiency(ies) identified? | _____ | Yes | _x_ | 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 | _x_ | No |
| 7. The Authority's major program audited was: | | | | |

Name of Federal Program

Assistance Listing
Number

Home Investment Partnerships Program

14.239

- | | | | | |
|---|-------|-----|-----|----|
| 8. Dollar threshold used to distinguish between Type A and Type B programs. | _____ | Yes | _x_ | No |
|---|-------|-----|-----|----|

\$1,000,000

- | | | | | |
|---|-----|-----|-------|----|
| 9. Auditee qualified as low-risk auditee? | _x_ | 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.

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE INVESTMENT GUIDELINES

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's (the Authority), compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law and Title 2 Section 201.3 of the New York Codes, Rules and Regulations (the investment guidelines) that could have a direct and material effect on its investments for the year ended March 31, 2026.

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 investments for the year ended March 31, 2026.

Basis for Opinion on Investment Compliance

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 the investment guidelines. Our responsibilities under those standards and the investment guidelines 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 with the investment guidelines. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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 investment guidelines, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the investment guidelines as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the investment guidelines, 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, noncompliance with a type of compliance requirement of the investment guidelines 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 of investment guidelines 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 the investment guidelines 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 investment guidelines. Accordingly, this report is not suitable for any other purpose.

Williamsville, New York
, 2026

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Status of Prior Year Audit Findings
Year ended March 31, 2026

There were no audit findings in the prior year financial statements (March 31, 2025).



Board Resolution No. 2026-06-48
June 25, 2026

**APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT,
AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS FOR
FISCAL YEAR ENDING MARCH 31, 2026**

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, 2026, 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, 2026 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 fiscal year ended March 31, 2026.



Board Resolution No. 2026-06-49
June 25, 2026

**APPROVING THE ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS
DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
FISCAL YEAR ENDING MARCH 31, 2026**

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 2026 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 ending March 31, 2026.

Assessment of the Effectiveness of Internal Controls
Fiscal Year Ending March 31, 2026

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, 2026.

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. 2026-06-50
June 25, 2026

APPROVING ANNUAL BOND SALES REPORT
FISCAL YEAR ENDING MARCH 31, 2026

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, 2026, 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, 2026, attached hereto and incorporated in this Resolution.

**Development Authority of the North Country
Annual Bond Sales Report
Fiscal Year Ended March 31, 2026**

Issuances

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Amount</u>	<u>Net Interest Cost</u>	<u>True Interest Cost</u>	<u>Underwriter Compensation</u>	<u>Method of Sale</u>	<u>Maturity</u>
--------------------------	---------------------------	----------------------	---------------------------------	----------------------------------	--	------------------------------	------------------------

N/A

Outstanding Bonds as of March 31, 2026

<u>Bond Issue</u>	<u>Balance @ 3/31/26</u>	<u>Maturity</u>
Series 2019 SWMF Revenue Bonds	\$ 9,110,000	2044
Series 2015 SWMF Revenue Bonds	\$ 5,855,000	2040
Series 2025A Fort Drum Water System Revenue Bonds	\$ 6,845,037	2034

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Thursday, April 30, 2026

	<u>YTD ACTUAL</u>	<u>3/31/2026 Total</u>
STATEMENT OF NET POSITION		
ASSETS		
Cash and Cash Equivalents	\$6,096,010.72	\$6,265,217.74
Accounts Receivable	4,532,187.23	5,030,662.33
Unbilled Revenue	503,223.92	787,298.84
Interest Receivable	223,609.94	232,849.34
Loans Receivable, net	35,802,712.52	35,983,812.08
Inventory	16,598.53	16,598.53
Prepaid Expense	830,860.80	881,453.33
Investments	12,869,747.42	12,736,712.82
Funds Held In Trust	2,213,388.70	2,036,613.41
OPEB Reserve Fund	6,635,439.18	6,631,408.28
Restricted Assets	86,108,724.35	85,836,724.09
Operating Lease ROU/SUB Assets, Net	456,275.70	456,275.70
Capital Assets, net	112,137,287.71	112,940,555.91
Total Assets	268,426,066.72	269,836,182.40
DEFERRED OUTFLOWS OF RESOURCES		
Pension	2,611,173.00	2,611,173.00
OPEB	2,131,133.00	2,131,133.00
Total Deferred Outflows of Resources	4,742,306.00	4,742,306.00
TOTAL ASSETS PLUS DEFERRED OUTFLOWS	273,168,372.72	274,578,488.40
LIABILITIES		
Accounts Payable	1,167,057.11	2,736,698.75
Grants & Passthroughs Payable	552,851.64	535,534.76
Community Benefits Payable	131,447.65	227,771.31
Interest Payable	203,741.28	130,945.86
Accrued Expenses	695,511.78	889,959.83
OPEB Liability	6,665,595.75	6,623,553.00
Net Pension Liability	3,694,455.00	3,694,455.00
Unearned Income	26,170,889.91	26,026,186.03
Current Portion of Oper Lease/SUB Liability	389,636.90	389,636.90
Funds Held for Others	11,801,834.22	11,801,834.22
Due to US ARMY	749,985.00	749,985.00
Landfill Closure & Post Closure	18,316,157.24	18,023,290.48
Long-term Liabilities	32,871,997.53	32,876,603.97
Total Liabilities	103,411,161.01	104,706,455.11
DEFERRED INFLOWS OF RESOURCES		
Pension	161,062.00	161,062.00
OPEB	2,807,430.00	2,807,430.00
Total Deferred Inflows of Resources	2,968,492.00	2,968,492.00
TOTAL LIABILITIES PLUS DEFERRED INFLOWS	106,379,653.01	107,674,947.11
NET POSITION		
Invested In Capital Assets, Net	68,122,962.93	68,897,409.10
Restricted for:		
Community Rental Housing Program	13,407,228.49	13,404,747.81
Community Development Loan Fund	10,300,761.68	10,291,125.76
Affordable Housing Program	23,865,523.39	23,837,440.84
Army Water & Sewer	1,800,000.00	1,800,000.00
Regional Waterline	403,275.64	403,275.64
Reserve For Liner	4,961,094.87	4,796,195.17
Reserve for Replacement	6,962,724.07	6,795,447.87
Reserve For Wetland Mitigation	345,649.76	346,530.12
OATN Reserve	5,186,002.94	5,156,214.60
Landfill Closure & Post Closure Prefunding	7,814,088.58	7,828,707.42
Total Restricted	75,046,349.42	74,659,685.23
Board Designated for:		
Infrastructure Development	223,107.42	223,107.42
Capital Reserve	36,278.92	36,278.92
Tip Fee Stabilization	3,418,046.81	3,408,398.41
Economic Development Fund	5,603,001.44	5,597,017.41
Affordable Housing Program	3,000,000.00	3,000,000.00
Supplemental Insurance / Admin. Reserve	4,000,000.00	4,000,000.00
Total Board Designated	16,280,434.59	16,264,802.16
Undesignated	7,338,972.77	7,081,644.80
Total Net Position	166,788,719.71	166,903,541.29
Total Liabilities, Deferred Outflows & Net Position	273,168,372.72	274,578,488.40

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Thursday, April 30, 2026

	<u>YTD ACTUAL</u>	<u>3/31/2026 Total</u>
<u>CHANGE IN NET POSITION</u>		
OPERATING REVENUE:		
Customer Billings	2,771,328.26	31,412,034.54
Grant Revenue	0.00	2,744,971.14
Loan Interest Income	44,512.84	592,265.88
Other Income	82,776.47	2,553,117.51
Total Operating Revenue	2,898,617.57	37,302,389.07
OPERATING EXPENSES		
Depreciation & Amortization	906,816.73	11,008,033.47
Salaries	607,499.56	8,258,527.41
Fringe Benefits	443,668.26	3,257,419.82
Operation & Maintenance	209,578.54	3,314,358.44
Waste Diversion	75.00	288,893.44
Wastewater Treatment	185,880.42	2,010,661.93
Closure & Post Closure Costs	292,866.76	2,537,707.63
Community Benefits	83,673.63	1,359,581.70
Water Purchases	75,234.29	922,294.72
Office & Administration	91,115.57	439,094.62
Insurance	66,224.99	766,891.50
Utilities	7,069.07	303,597.02
Bad Debt Expense	(41,995.77)	314,847.68
Materials & Supplies	700.37	315,341.32
Professional Fees	18,125.50	511,994.96
Repairs & Maintenance	4,451.51	255,914.24
Automobile	42,582.52	582,775.55
Computer Expenses	145,673.06	427,723.83
Grants	0.00	147,845.00
NYS Administrative Assessment	0.00	122,000.00
Total Operating Expenses	3,139,240.01	37,145,504.28
Total Operating Income	(240,622.44)	156,884.79
NON-OPERATING REVENUE (EXPENSE)		
Interest Income	234,080.51	3,525,182.01
Gain on Sale of Fixed Assets	0.00	146,206.00
Gain on Trade-In of Fixed Assets	0.00	231,000.00
Interest Expense	(108,279.65)	(1,405,823.34)
Debt Issuance Costs	0.00	(4,268.75)
Total Non-Operating Expense, Net	125,800.86	2,492,295.92
CHANGE IN NET ASSETS	(114,821.58)	2,649,180.71

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Thursday, April 30, 2026

	ADMIN	MATERIALS MGMT	TELECOM	ARMY SEWER	ARMY WATER	REGIONAL WATER	WQ CONTRACTS	ENGINEERING	REGIONAL DEVELOPMENT	TOTAL
TOTAL LIABILITIES & DEFERRED OUTF...	\$14,676,669.20	\$35,660,781.47	\$26,545,933.79	\$6,572,381.06	\$7,279,879.38	\$1,232,772.76	\$898,516.36	\$138,347.30	\$13,374,371.69	\$106,379,653.01
STATEMENT OF NET POSITION										
ASSETS										
Cash and Cash Equivalents	6,096,010.72									6,096,010.72
Accounts Receivable	1,247.00	1,518,856.11	1,602,285.05	200,004.13	71,580.00	85,128.71	205,698.79	41,006.36	806,381.08	4,532,187.23
Unbilled Revenue				109,797.55	29,036.65	37,962.13	234,367.73	62,074.96	29,984.90	503,223.92
Interest Receivable	6,427.87	40,284.27	26,226.12						150,671.68	223,609.94
Loans Receivable, net									35,802,712.52	35,802,712.52
Inventory		16,598.53								16,598.53
Prepaid Expense	708,314.73		77,426.07						45,120.00	830,860.80
Investments	1,821,435.64	3,576,247.10	2,292,608.75						5,179,455.93	12,869,747.42
Funds Held In Trust		957,804.21			1,255,584.49					2,213,388.70
OPEB Reserve Fund	6,635,439.18									6,635,439.18
Restricted Assets		37,904,234.17	17,547,891.92	1,873,684.42	1,022,781.63	439,463.84			27,320,668.37	86,108,724.35
Operating Lease ROU/SUB Assets, Net	137,452.30		151,260.50						167,562.90	456,275.70
Capital Assets, net	1,114,744.46	49,920,688.97	32,895,997.56	11,406,196.36	14,287,246.72	2,491,887.46			20,526.18	112,137,287.71
Total Assets	16,521,071.90	93,934,713.36	54,593,695.97	13,589,682.46	16,666,229.49	3,054,442.14	440,066.52	103,081.32	69,523,083.56	268,426,066.72
DEFERRED OUTFLOWS OF RESO...										
Pension	2,611,173.00									2,611,173.00
OPEB	2,131,133.00									2,131,133.00
Total Deferred Outflows of Resources	4,742,306.00									4,742,306.00
TOTAL ASSETS PLUS DEFERRED...	21,263,377.90	93,934,713.36	54,593,695.97	13,589,682.46	16,666,229.49	3,054,442.14	440,066.52	103,081.32	69,523,083.56	273,168,372.72
LIABILITIES										
Accounts Payable	643.03	55,083.14	56,125.50	389,618.06	626,352.56	37,034.81	31.70	2,159.66	8.65	1,167,057.11
Grants & Passthroughs Payable	11,749.98		540,874.78						226.88	552,851.64
Community Benefits Payable		131,447.65								131,447.65
Interest Payable		146,745.84	1,515.39		55,480.05					203,741.28
Accrued Expenses	318,153.73	115,695.58	111,319.09	15,150.83	13,840.11	1,292.73	75,964.93	38,629.21	5,465.57	695,511.78
OPEB Liability	6,665,595.75									6,665,595.75
Net Pension Liability	3,694,455.00									3,694,455.00
Unearned Income			26,118,889.91						52,000.00	26,170,889.91
Current Portion of Oper Lease/SUB Lia...	144,489.90		79,295.00						165,852.00	389,636.90
Funds Held for Others				749,985.00					11,801,834.22	11,801,834.22
Due to US ARMY										749,985.00
Landfill Closure & Post Closure		18,316,157.24								18,316,157.24
Long-term Liabilities	664,000.00	15,991,590.92		7,435,657.85	6,845,037.00	1,335,711.76			600,000.00	32,871,997.53
Internal: Due To/Due From	209,089.81	904,061.10	(362,085.88)	(2,018,030.68)	(260,830.34)	(141,266.54)	822,519.73	97,558.43	748,984.37	
Total Liabilities	11,708,177.20	35,660,781.47	26,545,933.79	6,572,381.06	7,279,879.38	1,232,772.76	898,516.36	138,347.30	13,374,371.69	103,411,161.01
DEFERRED INFLOWS OF RESOURCES										
Pension	161,062.00									161,062.00
OPEB	2,807,430.00									2,807,430.00
Total Deferred Inflows of Resources	2,968,492.00									2,968,492.00
TOTAL LIABILITIES PLUS DEFERR...	14,676,669.20	35,660,781.47	26,545,933.79	6,572,381.06	7,279,879.38	1,232,772.76	898,516.36	138,347.30	13,374,371.69	106,379,653.01
NET POSITION										
Invested In Capital Assets, Net	1,114,745.29	33,929,098.26	20,510,195.45	3,970,538.51	7,442,209.72	1,156,175.70				68,122,962.93
Restricted for:										
Community Rental Housing Program									13,407,228.49	13,407,228.49
Community Development Loan Fund									10,300,761.68	10,300,761.68
Affordable Housing Program									23,865,523.39	23,865,523.39
Army Water & Sewer				900,000.00	900,000.00					1,800,000.00
Regional Waterline						403,275.64				403,275.64
Reserve For Liner	4,961,094.87									4,961,094.87
Reserve for Replacement	6,962,724.07									6,962,724.07
Reserve For Wetland Mitigation	345,649.76									345,649.76
OATN Reserve			5,186,002.94							5,186,002.94
Landfill Closure & Post Closure Prefund...		7,814,088.58								7,814,088.58
Total Restricted		20,083,557.28	5,186,002.94	900,000.00	900,000.00	403,275.64			47,573,513.56	75,046,349.42
Board Designated for:										
Infrastructure Development				223,107.42						223,107.42
Capital Reserve				36,278.92						36,278.92
Tip Fee Stabilization		3,418,046.81								3,418,046.81
Economic Development Fund									5,603,001.44	5,603,001.44
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	3,418,046.81		259,386.34					8,603,001.44	16,280,434.59
Undesignated	1,471,963.41	843,229.54	2,351,563.79	1,887,376.55	1,044,140.39	262,218.04	(458,449.84)	(35,265.98)	(27,803.13)	7,338,972.77
Total Net Position	6,586,708.70	58,273,931.89	28,047,762.18	7,017,301.40	9,386,350.11	1,821,669.38	(458,449.84)	(35,265.98)	56,148,711.87	166,788,719.71
Total Liabilities, Deferred Outflows...	21,263,377.90	93,934,713.36	54,593,695.97	13,589,682.46	16,666,229.49	3,054,442.14	440,066.52	103,081.32	69,523,083.56	273,168,372.72

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Thursday, April 30, 2026

	ADMIN	MATERIALS MGMT	TELECOM	ARMY SEWER	ARMY WATER	REGIONAL WATER	WQ CONTRACTS	ENGINEERING	REGIONAL DEVELOPMENT	TOTAL
CHANGE IN NET POSITION										
OPERATING REVENUE:										
Customer Billings		1,123,936.75	528,326.08	469,994.74	315,750.63	37,962.13	234,801.73	43,666.65	16,889.55	2,771,328.26
Loan Interest Income									44,512.84	44,512.84
Other Income	32,450.05	40,645.65	(242.88)	315.91	4.55	9,359.43	74.34	90.01	79.41	82,776.47
Total Operating Revenue	32,450.05	1,164,582.40	528,083.20	470,310.65	315,755.18	47,321.56	234,876.07	43,756.66	61,481.80	2,898,617.57
OPERATING EXPENSES										
Depreciation & Amortization	31,567.01	476,348.99	273,941.31	49,653.86	58,910.39	15,733.03			662.14	906,816.73
Salaries	104,638.04	139,370.91	123,775.22	33,978.19	24,557.86	3,194.69	114,624.09	24,414.04	38,946.52	607,499.56
Fringe Benefits	73,558.80	113,764.24	74,669.88	29,219.35	17,160.98	2,116.99	89,973.58	15,946.43	27,258.01	443,668.26
Operation & Maintenance	3,207.00	66,712.12	115,478.14	6,019.99			3,336.66	14,824.63		209,578.54
Waste Diversion		75.00								75.00
Wastewater Treatment		50,000.00		135,880.42						185,880.42
Closure & Post Closure Costs		292,866.76								292,866.76
Community Benefits		83,673.63								83,673.63
Water Purchases					67,138.25	8,096.04				75,234.29
Office & Administration	28,763.09	968.83	1,729.71			101.70	4,803.84	554.65	54,193.75	91,115.57
Insurance	2,225.00	25,075.00	17,058.33	8,058.33	5,366.67	750.00	6,283.33	1,408.33		66,224.99
Utilities		4,585.21	350.71	37.16		2,095.99				7,069.07
Bad Debt Expense			(40,020.34)						(1,975.43)	(41,995.77)
Materials & Supplies		700.37								700.37
Professional Fees	158.00		447.50							17,520.00
Repairs & Maintenance				1,905.05	2,157.50	388.96				4,451.51
Automobile		6,020.00	3,246.67				28,760.75	4,361.77	193.33	42,582.52
Computer Expenses	57,327.37	2,000.00	28,050.09	5,309.39	3,820.00	529.24	3,572.37	45,064.60		145,673.06
Admin Allocation	(266,463.47)	99,657.34	63,844.65	42,181.17	30,376.83	1,865.25	4,449.94	5,489.15	18,599.14	
Engineering Allocation		17,560.88	11,188.18	3,700.07	3,624.74	106.53	683.29	(36,952.07)		88.38
Water Quality Allocation				8,683.11	4,144.61	665.95	(13,493.67)			
Total Operating Expenses	34,980.84	1,379,379.28	673,760.05	324,626.09	217,257.83	35,644.37	242,994.18	75,111.53	155,485.84	3,139,240.01
Total Operating Income	(2,530.79)	(214,796.88)	(145,676.85)	145,684.56	98,497.35	11,677.19	(8,118.11)	(31,354.87)	(94,004.04)	(240,622.44)
NON-OPERATING REVENUE (EX...										
Interest Income	23,062.19	96,623.67	36,059.74	3,407.32	4,709.19	1,461.85			68,756.55	234,080.51
Interest Expense		(39,519.61)		(41,020.04)	(27,740.00)					(108,279.65)
Total Non-Operating Expense, Net	23,062.19	57,104.06	36,059.74	(37,612.72)	(23,030.81)	1,461.85			68,756.55	125,800.86
CHANGE IN NET ASSETS	20,531.40	(157,692.82)	(109,617.11)	108,071.84	75,466.54	13,139.04	(8,118.11)	(31,354.87)	(25,247.49)	(114,821.58)

**Summary of All Units
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$33,082,608.00	\$2,756,885.00	\$2,771,328.26	\$14,443.26
	Grant Revenue	7,006,032.00	523,430.00	0.00	(523,430.00)
	Loan Interest Income	612,000.00	51,000.00	44,512.84	(6,487.16)
	Other Income	1,344,443.00	67,279.00	82,776.47	15,497.47
	Total Operating Revenue	42,045,083.00	3,398,594.00	2,898,617.57	(499,976.43)
OPERATING EXPENSES					
	Depreciation & Amortization	11,707,096.00	975,592.00	906,816.73	(68,775.27)
	Amortization, Lease ROU	150,000.00	0.00	0.00	0.00
	Salaries	8,733,584.00	727,798.00	607,499.56	(120,298.44)
	Fringe Benefits	4,218,531.00	351,546.00	443,668.26	92,122.26
	Operation & Maintenance	3,776,717.00	314,730.33	209,578.54	(105,151.79)
	Waste Diversion	319,230.00	4,530.00	75.00	(4,455.00)
	Wastewater Treatment	2,226,865.00	185,571.67	185,880.42	308.75
	Closure & Post Closure Costs	3,584,766.00	298,731.00	292,866.76	(5,864.24)
	Water Purchases	936,111.00	78,009.00	75,234.29	(2,774.71)
	Community Benefits	1,017,309.00	84,776.00	83,673.63	(1,102.37)
	Office & Administration	610,734.00	60,820.33	91,115.57	30,295.24
	Insurance	794,700.00	66,224.00	66,224.99	0.99
	Utilities	240,738.00	20,061.00	7,069.07	(12,991.93)
	Bad Debt Expense	0.00	0.00	(41,995.77)	(41,995.77)
	Materials & Supplies	340,100.00	28,341.00	700.37	(27,640.63)
	Professional Fees	578,462.00	57,372.00	18,125.50	(39,246.50)
	Repairs & Maintenance	223,500.00	18,626.00	4,451.51	(14,174.49)
	Automobile	654,733.00	54,560.00	42,582.52	(11,977.48)
	Computer Expenses	675,118.00	132,368.00	145,673.06	13,305.06
	Grants	275,000.00	22,917.00	0.00	(22,917.00)
	NYS Administrative Assessment	125,051.00	10,422.00	0.00	(10,422.00)
	Contingency	82,500.00	6,874.67	0.00	(6,874.67)
	Total Operating Expenses	41,270,845.00	3,499,870.00	3,139,240.01	(360,629.99)
	Total Operating Income	774,238.00	(101,276.00)	(240,622.44)	(139,346.44)
NON-OPERATING REVENUE...					
	Interest Income	2,787,290.00	232,273.00	234,080.51	1,807.51
	Gain on Sale of Fixed Assets	138,000.00	11,500.00	0.00	(11,500.00)
	Gain on Trade-In of Fixed Ass...	300,000.00	25,000.00	0.00	(25,000.00)
	Interest Expense	(1,165,431.00)	(97,120.00)	(108,279.65)	(11,159.65)
	Debt Issuance Costs	(300,000.00)	(25,000.00)	0.00	25,000.00
	Total Non-Operating Expe...	1,759,859.00	146,653.00	125,800.86	(20,852.14)
	CHANGE IN NET POSITION	2,534,097.00	45,377.00	(114,821.58)	(160,198.58)

Administration
Change In Net Position
For the One Month Ending Thursday, April 30, 2026

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Other Income	\$388,500.00	\$32,375.00	\$32,450.05	\$75.05
	Total Operating Revenue	388,500.00	32,375.00	32,450.05	75.05
OPERATING EXPENSES					
	Depreciation & Amortization	420,400.00	35,033.00	31,567.01	(3,465.99)
	Amortization, Lease ROU	150,000.00	0.00	0.00	0.00
	Salaries	1,491,339.00	124,278.00	104,638.04	(19,639.96)
	Fringe Benefits	766,233.00	63,852.00	73,558.80	9,706.80
	Operation & Maintenance	6,570.00	548.00	3,207.00	2,659.00
	Office & Administration	136,595.00	21,301.33	28,763.09	7,461.76
	Insurance	26,700.00	2,225.00	2,225.00	0.00
	Professional Fees	136,290.00	11,357.00	158.00	(11,199.00)
	Automobile	630.00	53.00	0.00	(53.00)
	Computer Expenses	502,046.00	85,229.00	57,327.37	(27,901.63)
	Admin Allocation	(2,812,466.00)	(234,373.00)	(266,463.47)	(32,090.47)
	Contingency	27,500.00	2,291.67	0.00	(2,291.67)
	Total Operating Expenses	851,837.00	111,795.00	34,980.84	(76,814.16)
	Total Operating Income	(463,337.00)	(79,420.00)	(2,530.79)	76,889.21
NON-OPERATING REVENUE...					
	Interest Income	367,743.00	30,645.00	23,062.19	(7,582.81)
	Gain on Sale of Fixed Assets	118,000.00	9,833.00	0.00	(9,833.00)
	Total Non-Operating Expe...	485,743.00	40,478.00	23,062.19	(17,415.81)
	CHANGE IN NET POSITION	22,406.00	(38,942.00)	20,531.40	59,473.40

**Materials Management
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$13,929,800.00	\$1,160,817.00	\$1,123,936.75	(\$36,880.25)
	Grant Revenue	141,165.00	11,764.00	0.00	(11,764.00)
	Other Income	922,433.00	32,111.00	40,645.65	8,534.65
	Total Operating Revenue	14,993,398.00	1,204,692.00	1,164,582.40	(40,109.60)
OPERATING EXPENSES					
	Depreciation & Amortization	6,015,000.00	501,250.00	476,348.99	(24,901.01)
	Salaries	2,003,919.00	166,993.00	139,370.91	(27,622.09)
	Fringe Benefits	1,039,710.00	86,643.00	113,764.24	27,121.24
	Operation & Maintenance	1,084,500.00	90,376.33	66,712.12	(23,664.21)
	Waste Diversion	319,230.00	4,530.00	75.00	(4,455.00)
	Wastewater Treatment	596,300.00	49,691.67	50,000.00	308.33
	Closure & Post Closure Costs	3,584,766.00	298,731.00	292,866.76	(5,864.24)
	Community Benefits	1,017,309.00	84,776.00	83,673.63	(1,102.37)
	Office & Administration	101,347.00	8,445.00	968.83	(7,476.17)
	Insurance	300,900.00	25,075.00	25,075.00	0.00
	Utilities	115,000.00	9,583.00	4,585.21	(4,997.79)
	Materials & Supplies	340,100.00	28,341.00	700.37	(27,640.63)
	Professional Fees	191,740.00	15,978.00	0.00	(15,978.00)
	Repairs & Maintenance	21,000.00	1,750.00	0.00	(1,750.00)
	Automobile	77,200.00	6,433.00	6,020.00	(413.00)
	Computer Expenses	29,000.00	2,417.00	2,000.00	(417.00)
	Admin Allocation	1,052,142.00	87,679.00	99,657.34	11,978.34
	Engineering Allocation	59,740.00	4,978.00	17,560.88	12,582.88
	NYS Administrative Assessment	49,898.00	4,158.00	0.00	(4,158.00)
	Contingency	30,000.00	2,500.00	0.00	(2,500.00)
	Total Operating Expenses	18,028,801.00	1,480,328.00	1,379,379.28	(100,948.72)
	Total Operating Income	(3,035,403.00)	(275,636.00)	(214,796.88)	60,839.12
NON-OPERATING REVENUE...					
	Interest Income	1,089,920.00	90,826.00	96,623.67	5,797.67
	Gain on Sale of Fixed Assets	20,000.00	1,667.00	0.00	(1,667.00)
	Gain on Trade-In of Fixed Ass...	300,000.00	25,000.00	0.00	(25,000.00)
	Interest Expense	(533,169.00)	(44,431.00)	(39,519.61)	4,911.39
	Debt Issuance Costs	(250,000.00)	(20,833.00)	0.00	20,833.00
	Total Non-Operating Expe...	626,751.00	52,229.00	57,104.06	4,875.06
	CHANGE IN NET POSITION	(2,408,652.00)	(223,407.00)	(157,692.82)	65,714.18

**Telecommunications
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$6,565,864.00	\$547,155.00	\$528,326.08	(\$18,828.92)
	Grant Revenue	6,000,000.00	500,000.00	0.00	(500,000.00)
	Other Income	12,000.00	1,000.00	(242.88)	(1,242.88)
	Total Operating Revenue	12,577,864.00	1,048,155.00	528,083.20	(520,071.80)
OPERATING EXPENSES					
	Depreciation & Amortization	3,610,500.00	300,875.00	273,941.31	(26,933.69)
	Salaries	1,733,215.00	144,435.00	123,775.22	(20,659.78)
	Fringe Benefits	688,901.00	57,407.00	74,669.88	17,262.88
	Operation & Maintenance	2,299,947.00	191,663.00	115,478.14	(76,184.86)
	Office & Administration	50,442.00	4,204.00	1,729.71	(2,474.29)
	Insurance	204,700.00	17,058.00	17,058.33	0.33
	Utilities	5,738.00	478.00	350.71	(127.29)
	Bad Debt Expense	0.00	0.00	(40,020.34)	(40,020.34)
	Professional Fees	89,340.00	7,445.00	447.50	(6,997.50)
	Automobile	59,700.00	4,975.00	3,246.67	(1,728.33)
	Computer Expenses	40,565.00	3,381.00	28,050.09	24,669.09
	Admin Allocation	673,770.00	56,148.00	63,844.65	7,696.65
	Engineering Allocation	87,894.00	7,325.00	11,188.18	3,863.18
	Water Quality Allocation	10,094.00	841.00	0.00	(841.00)
	NYS Administrative Assessment	25,661.00	2,138.00	0.00	(2,138.00)
	Contingency	25,000.00	2,083.00	0.00	(2,083.00)
	Total Operating Expenses	9,605,467.00	800,456.00	673,760.05	(126,695.95)
	Total Operating Income	2,972,397.00	247,699.00	(145,676.85)	(393,375.85)
NON-OPERATING REVENUE...					
	Interest Income	330,227.00	27,519.00	36,059.74	8,540.74
	Total Non-Operating Expe...	330,227.00	27,519.00	36,059.74	8,540.74
	CHANGE IN NET POSITION	3,302,624.00	275,218.00	(109,617.11)	(384,835.11)

**Water Quality
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$11,683,330.00	\$973,611.00	\$1,058,509.23	\$84,898.23
	Other Income	3,610.00	301.00	9,754.23	9,453.23
	Total Operating Revenue	11,686,940.00	973,912.00	1,068,263.46	94,351.46
OPERATING EXPENSES					
	Depreciation & Amortization	1,653,196.00	137,767.00	124,297.28	(13,469.72)
	Salaries	2,555,391.00	212,949.00	176,354.83	(36,594.17)
	Fringe Benefits	1,303,507.00	108,627.00	138,470.90	29,843.90
	Operation & Maintenance	198,500.00	16,543.00	9,356.65	(7,186.35)
	Wastewater Treatment	1,630,565.00	135,880.00	135,880.42	0.42
	Water Purchases	936,111.00	78,009.00	75,234.29	(2,774.71)
	Office & Administration	108,998.00	9,085.00	4,905.54	(4,179.46)
	Insurance	245,500.00	20,458.00	20,458.33	0.33
	Utilities	120,000.00	10,000.00	2,133.15	(7,866.85)
	Professional Fees	6,671.00	556.00	0.00	(556.00)
	Repairs & Maintenance	202,500.00	16,876.00	4,451.51	(12,424.49)
	Automobile	444,300.00	37,025.00	28,760.75	(8,264.25)
	Computer Expenses	35,600.00	6,469.00	13,231.00	6,762.00
	Admin Allocation	832,313.00	69,359.00	78,873.19	9,514.19
	Engineering Allocation	51,353.00	4,279.00	8,114.63	3,835.63
	Water Quality Allocation	(10,094.00)	(841.00)	0.00	841.00
	NYS Administrative Assessment	46,807.00	3,902.00	0.00	(3,902.00)
	Total Operating Expenses	10,361,218.00	866,943.00	820,522.47	(46,420.53)
	Total Operating Income	1,325,722.00	106,969.00	247,740.99	140,771.99
NON-OPERATING REVENUE...					
	Interest Income	119,800.00	9,983.00	9,578.36	(404.64)
	Interest Expense	(632,262.00)	(52,689.00)	(68,760.04)	(16,071.04)
	Debt Issuance Costs	(50,000.00)	(4,167.00)	0.00	4,167.00
	Total Non-Operating Expe...	(562,462.00)	(46,873.00)	(59,181.68)	(12,308.68)
	CHANGE IN NET POSITION	763,260.00	60,096.00	188,559.31	128,463.31

**Army Sewer
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$4,812,503.00	\$401,042.00	\$469,994.74	\$68,952.74
	Other Income	3,610.00	301.00	315.91	14.91
	Total Operating Revenue	4,816,113.00	401,343.00	470,310.65	68,967.65
OPERATING EXPENSES					
	Depreciation & Amortization	736,700.00	61,392.00	49,653.86	(11,738.14)
	Salaries	555,529.00	46,294.00	33,978.19	(12,315.81)
	Fringe Benefits	279,887.00	23,324.00	29,219.35	5,895.35
	Operation & Maintenance	110,000.00	9,166.00	6,019.99	(3,146.01)
	Wastewater Treatment	1,630,565.00	135,880.00	135,880.42	0.42
	Water Purchases	4,500.00	375.00	0.00	(375.00)
	Office & Administration	8,845.00	737.00	0.00	(737.00)
	Insurance	96,700.00	8,058.00	8,058.33	0.33
	Utilities	65,000.00	5,417.00	37.16	(5,379.84)
	Professional Fees	4,157.00	346.00	0.00	(346.00)
	Repairs & Maintenance	85,000.00	7,083.00	1,905.05	(5,177.95)
	Computer Expenses	9,630.00	803.00	5,309.39	4,506.39
	Admin Allocation	445,129.00	37,094.00	42,181.17	5,087.17
	Engineering Allocation	16,833.00	1,403.00	3,700.07	2,297.07
	Water Quality Allocation	98,832.00	8,236.00	8,683.11	447.11
	NYS Administrative Assessment	19,806.00	1,651.00	0.00	(1,651.00)
	Total Operating Expenses	4,167,113.00	347,259.00	324,626.09	(22,632.91)
	Total Operating Income	649,000.00	54,084.00	145,684.56	91,600.56
NON-OPERATING REVENUE...					
	Interest Income	49,200.00	4,100.00	3,407.32	(692.68)
	Interest Expense	(269,000.00)	(22,417.00)	(41,020.04)	(18,603.04)
	Debt Issuance Costs	(50,000.00)	(4,167.00)	0.00	4,167.00
	Total Non-Operating Expe...	(269,800.00)	(22,484.00)	(37,612.72)	(15,128.72)
	CHANGE IN NET POSITION	379,200.00	31,600.00	108,071.84	76,471.84

**Army Water Line
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$3,490,778.00	\$290,898.00	\$315,750.63	\$24,852.63
	Other Income	0.00	0.00	4.55	4.55
	Total Operating Revenue	3,490,778.00	290,898.00	315,755.18	24,857.18
OPERATING EXPENSES					
	Depreciation & Amortization	734,100.00	61,175.00	58,910.39	(2,264.61)
	Salaries	435,347.00	36,279.00	24,557.86	(11,721.14)
	Fringe Benefits	213,947.00	17,831.00	17,160.98	(670.02)
	Operation & Maintenance	10,000.00	834.00	0.00	(834.00)
	Water Purchases	805,659.00	67,138.00	67,138.25	0.25
	Office & Administration	5,293.00	441.00	0.00	(441.00)
	Insurance	64,400.00	5,367.00	5,366.67	(0.33)
	Utilities	25,000.00	2,083.00	0.00	(2,083.00)
	Professional Fees	2,014.00	168.00	0.00	(168.00)
	Repairs & Maintenance	85,000.00	7,084.00	2,157.50	(4,926.50)
	Computer Expenses	3,820.00	3,820.00	3,820.00	0.00
	Admin Allocation	320,528.00	26,711.00	30,376.83	3,665.83
	Engineering Allocation	17,173.00	1,431.00	3,624.74	2,193.74
	Water Quality Allocation	74,648.00	6,221.00	4,144.61	(2,076.39)
	NYS Administrative Assessment	13,159.00	1,097.00	0.00	(1,097.00)
	Total Operating Expenses	2,810,088.00	237,680.00	217,257.83	(20,422.17)
	Total Operating Income	680,690.00	53,218.00	98,497.35	45,279.35
NON-OPERATING REVENUE...					
	Interest Income	53,400.00	4,450.00	4,709.19	259.19
	Interest Expense	(318,522.00)	(26,544.00)	(27,740.00)	(1,196.00)
	Total Non-Operating Expe...	(265,122.00)	(22,094.00)	(23,030.81)	(936.81)
	CHANGE IN NET POSITION	415,568.00	31,124.00	75,466.54	44,342.54

**Regional Water Line
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$486,935.00	\$40,578.00	\$37,962.13	(\$2,615.87)
	Other Income	0.00	0.00	9,359.43	9,359.43
	Total Operating Revenue	486,935.00	40,578.00	47,321.56	6,743.56
OPERATING EXPENSES					
	Depreciation & Amortization	182,396.00	15,200.00	15,733.03	533.03
	Salaries	53,996.00	4,499.00	3,194.69	(1,304.31)
	Fringe Benefits	26,683.00	2,223.00	2,116.99	(106.01)
	Operation & Maintenance	8,500.00	709.00	0.00	(709.00)
	Water Purchases	125,952.00	10,496.00	8,096.04	(2,399.96)
	Office & Administration	1,485.00	124.00	101.70	(22.30)
	Insurance	9,000.00	750.00	750.00	0.00
	Utilities	30,000.00	2,500.00	2,095.99	(404.01)
	Professional Fees	500.00	42.00	0.00	(42.00)
	Repairs & Maintenance	32,500.00	2,709.00	388.96	(2,320.04)
	Computer Expenses	546.00	46.00	529.24	483.24
	Admin Allocation	19,815.00	1,651.00	1,865.25	214.25
	Engineering Allocation	4,323.00	360.00	106.53	(253.47)
	Water Quality Allocation	11,912.00	993.00	665.95	(327.05)
	NYS Administrative Assessment	1,857.00	155.00	0.00	(155.00)
	Total Operating Expenses	509,465.00	42,457.00	35,644.37	(6,812.63)
	Total Operating Income	(22,530.00)	(1,879.00)	11,677.19	13,556.19
NON-OPERATING REVENUE...					
	Interest Income	17,200.00	1,433.00	1,461.85	28.85
	Interest Expense	(44,740.00)	(3,728.00)	0.00	3,728.00
	Total Non-Operating Expe...	(27,540.00)	(2,295.00)	1,461.85	3,756.85
	CHANGE IN NET POSITION	(50,070.00)	(4,174.00)	13,139.04	17,313.04

**Water Sewer Contracts
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$2,893,114.00	\$241,093.00	\$234,801.73	(\$6,291.27)
	Other Income	0.00	0.00	74.34	74.34
	Total Operating Revenue	2,893,114.00	241,093.00	234,876.07	(6,216.93)
OPERATING EXPENSES					
	Salaries	1,510,519.00	125,877.00	114,624.09	(11,252.91)
	Fringe Benefits	782,990.00	65,249.00	89,973.58	24,724.58
	Operation & Maintenance	70,000.00	5,834.00	3,336.66	(2,497.34)
	Office & Administration	93,375.00	7,783.00	4,803.84	(2,979.16)
	Insurance	75,400.00	6,283.00	6,283.33	0.33
	Automobile	444,300.00	37,025.00	28,760.75	(8,264.25)
	Computer Expenses	21,604.00	1,800.00	3,572.37	1,772.37
	Admin Allocation	46,841.00	3,903.00	4,449.94	546.94
	Engineering Allocation	13,024.00	1,085.00	683.29	(401.71)
	Water Quality Allocation	(195,486.00)	(16,291.00)	(13,493.67)	2,797.33
	NYS Administrative Assessment	11,985.00	999.00	0.00	(999.00)
	Total Operating Expenses	2,874,552.00	239,547.00	242,994.18	3,447.18
	Total Operating Income	18,562.00	1,546.00	(8,118.11)	(9,664.11)
NON-OPERATING REVENUE...					
	CHANGE IN NET POSITION	18,562.00	1,546.00	(8,118.11)	(9,664.11)

**Engineering
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$599,700.00	\$49,975.00	\$43,666.65	(\$6,308.35)
	Grant Revenue	40,000.00	3,333.00	0.00	(3,333.00)
	Other Income	0.00	0.00	90.01	90.01
	Total Operating Revenue	639,700.00	53,308.00	43,756.66	(9,551.34)
OPERATING EXPENSES					
	Salaries	295,007.00	24,584.00	24,414.04	(169.96)
	Fringe Benefits	123,556.00	10,296.00	15,946.43	5,650.43
	Operation & Maintenance	146,700.00	12,225.00	14,824.63	2,599.63
	Office & Administration	53,764.00	4,481.00	554.65	(3,926.35)
	Insurance	16,900.00	1,408.00	1,408.33	0.33
	Professional Fees	1,000.00	83.00	0.00	(83.00)
	Automobile	66,900.00	5,574.00	4,361.77	(1,212.23)
	Computer Expenses	64,615.00	34,598.00	45,064.60	10,466.60
	Admin Allocation	57,835.00	4,820.00	5,489.15	669.15
	Engineering Allocation	(199,465.00)	(16,622.00)	(36,952.07)	(20,330.07)
	NYS Administrative Assessment	2,685.00	224.00	0.00	(224.00)
	Total Operating Expenses	629,497.00	81,671.00	75,111.53	(6,559.47)
	Total Operating Income	10,203.00	(28,363.00)	(31,354.87)	(2,991.87)
NON-OPERATING REVENUE...					
	CHANGE IN NET POSITION	10,203.00	(28,363.00)	(31,354.87)	(2,991.87)

**Regional Development
Change In Net Position
For the One Month Ending Thursday, April 30, 2026**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$303,914.00	\$25,327.00	\$16,889.55	(\$8,437.45)
	Grant Revenue	824,867.00	8,333.00	0.00	(8,333.00)
	Loan Interest Income	612,000.00	51,000.00	44,512.84	(6,487.16)
	Other Income	17,900.00	1,492.00	79.41	(1,412.59)
	Total Operating Revenue	1,758,681.00	86,152.00	61,481.80	(24,670.20)
OPERATING EXPENSES					
	Depreciation & Amortization	8,000.00	667.00	662.14	(4.86)
	Salaries	654,713.00	54,559.00	38,946.52	(15,612.48)
	Fringe Benefits	296,624.00	24,721.00	27,258.01	2,537.01
	Operation & Maintenance	40,500.00	3,375.00	0.00	(3,375.00)
	Office & Administration	159,588.00	13,304.00	54,193.75	40,889.75
	Bad Debt Expense	0.00	0.00	(1,975.43)	(1,975.43)
	Professional Fees	153,421.00	21,953.00	17,520.00	(4,433.00)
	Automobile	6,003.00	500.00	193.33	(306.67)
	Computer Expenses	3,292.00	274.00	0.00	(274.00)
	Grants	275,000.00	22,917.00	0.00	(22,917.00)
	Admin Allocation	196,406.00	16,367.00	18,599.14	2,232.14
	Engineering Allocation	478.00	40.00	88.38	48.38
	Total Operating Expenses	1,794,025.00	158,677.00	155,485.84	(3,191.16)
	Total Operating Income	(35,344.00)	(72,525.00)	(94,004.04)	(21,479.04)
NON-OPERATING REVENUE...					
	Interest Income	879,600.00	73,300.00	68,756.55	(4,543.45)
	Total Non-Operating Expe...	879,600.00	73,300.00	68,756.55	(4,543.45)
	CHANGE IN NET POSITION	844,256.00	775.00	(25,247.49)	(26,022.49)



Board Resolution No. 2026-06-51
June 25, 2026

CAPITAL PROJECT BUDGET AMENDMENT
MATERIALS MANAGEMENT DIVISION
FEMA CULVERT & ROAD REPAIRS

Whereas, pursuant to **Resolution No. 2025-02-15** the Development Authority of the North Country (Authority) established a \$200,000 Materials Management Facility (MMF) FEMA Repairs capital project (Project 20-224). Such project was authorized to make necessary repairs to the damaged stormwater infrastructure and Dona Road at MMF as a result of extreme weather events in August 2024 from Hurricane Debby, and

Whereas, the project was competitively bid under one contract (Contract 1) in accordance with the Authority's procurement process through IFB 20-042026, and

Whereas, the as-bid cost for Contract 1 to complete the MMF FEMA Repairs is \$349,000, and the total project cost including engineering services and contingency funds is expected to be \$380,000, and

Whereas, the Authority's insurance carrier is expected to reimburse the Authority for a portion of the project costs, and

Whereas, of the portion of costs not covered by insurance, the Authority anticipates that the Federal Emergency Management Agency (FEMA) will reimburse the Authority 75% of the total project cost and the New York State Department of Homeland Security (NYS DHS) to reimburse the Authority 12.5% of the total project cost.

Now, therefore be it

RESOLVED, that the **Development Authority of the North Country** does hereby amend the **Materials Management Division Capital Budget for the FY 2025 MMF FEMA Repairs (Project 20-224)** to increase the budget from **\$200,000 to \$380,000**.



Board Resolution No. 2026-06-52
June 25, 2026

CAPITAL PROJECT BUDGET AMENDMENT
MATERIALS MANAGEMENT DIVISION
VARIOUS CAPITAL PROJECTS

Whereas, pursuant to **Resolution No. 2024-02-07** the Development Authority of the North Country (Authority) established a \$618,000 Leachate Manhole and Side Riser Improvements capital project (Project 20-221). Such project was authorized to make necessary repairs and improvements to existing leachate infrastructure and install backup primary pumps in Side Risers 12 & 13, and

Whereas, the project was competitively bid in accordance with the Authority's procurement process, and

Whereas, as a result of the competitive procurement, additional funds of \$50,000 are needed to install backup primary pumps in Side Risers 12 and 13; increasing the total project budget to \$668,000, and

Whereas, pursuant to **Resolution No. 2024-12-83**, the Authority approved a \$5,225,000 budget for the Southern Expansion Landfill Gas Phase 1-2 Tie-In and Main Flare Replacement capital project (Project 20-212), and

Whereas, the projected cost for the Southern Expansion Landfill Gas Phase 1-2 Tie-in and Main Flare Replacement is expected to be \$5,175,000, and

Whereas, pursuant to **Resolution No. 2026-02-09** the Authority established a \$200,000 Culvert Repairs Project (Project 20-238). Such project was authorized to make necessary repairs to three culverts that are underneath the entrance road, and

Whereas, the project was competitively bid in accordance with the Authority's procurement process, and

Whereas, the as-bid base bid project cost to complete the MMF Culvert Repairs (Project 20-238) is \$220,000 including 10% contingency, and

Whereas, pursuant to **Resolution No. 2025-02-07** the Authority established a \$50,000 MMF Nature Trail Consolidation Capital Project (Project 20-229), and

Whereas, the projected cost for the MMF Nature Trail Consolidation Project (20-229) is \$30,000.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the Capital Project budgets as follows:

Capital Project	Current Budget	Proposed Budget Change	Amended Budget
Leachate Manhole and Side Riser Improvements (20-221)	\$618,000	\$50,000	\$668,000
Southern Expansion LFG and Flare Replacement (20-212)	\$5,225,000	(\$50,000)	\$5,175,000
Culvert Repairs (20-238)	\$200,000	\$20,000	\$220,000
Nature Trail Consolidation (20-229)	\$50,000	(\$20,000)	\$30,000
Change in Net Position:	N/A	\$0	N/A



Board Resolution No. 2026-06-53
May 28, 2026

TEMPORARY MARSHALING YARD LEASE
NATIONAL GRID
TAX PARCEL 114.00-1-64.1, JEFFERSON COUNTY

Whereas, the Development Authority of the North Country (Authority) is the owner in fee of a 32.21-acre parcel of land situated in the Town of Rodman, County of Jefferson, and State of New York, being more particularly described in a Warranty Deed with Lien Covenant dated August 8, 2003, and recorded August 13, 2003 in the Jefferson County Clerk's Office in File No. 2023-00012908, and identified as Tax Parcel Number 114.00-1-64.1, and

Whereas, National Grid is in the process of expanding its facilities and requested a lease to support the construction of a "smarter, stronger, cleaner energy grid to deliver a more robust, resilient, and secure energy network for customers and communities", in conjunction with its Climate Leadership and Community Protection Act Project (Project), and

Whereas, the Project involves rebuilding an existing 115kV transmission line from National Grid's Substation in Clay, NY to their Substation in Black River, NY, and

Whereas, National Grid desires to use a portion of the Tax Parcel Number 114.00-1-64.1 as a project staging and marshaling yard in connection with the Project, and

Whereas, National Grid would like to lease approximately 10 (+/-) acres, together with the right to use in common with others the areas of the Landlord's Property providing access to a public way and utilities, as shown on the sketch plan attached hereto as Exhibit "A" of the proposed "Temporary Marshaling Yard Lease" (Lease), and

Whereas, National Grid would like to lease the property for a period of three (3) years, and

Whereas, the Lease will not impede or disrupt current or future operations of the Authority's Material Management Facility.

Now, therefor be it

RESOLVED, the Development Authority of the North Country does hereby authorize the Executive Director to negotiate and execute the attached Temporary Marshaling Yard Lease, by and between the Development Authority of the North Country and National Grid, as attached herewith.

TEMPORARY MARSHALING YARD LEASE

THIS LEASE (the “Lease”) made as of this _____ day of _____, 20__ (the “Effective Date”) is by and between **THE DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY, a public benefit corporation created by New York statute**, whose address is 23400 New York State Route 177, Rodman, New York 13682-2109, (the “Landlord”), and **NIAGARA MOHAWK POWER CORPORATION**, or its assigns, a New York corporation with an office at 300 Erie Boulevard West, Syracuse, New York 13202 (the “Tenant”).

RECITALS

WHEREAS, Landlord is the owner in fee of a 32.21 acre parcel of land situated in the Town of Rodman, County of Jefferson, and State of New York, being more particularly described in a Warranty Deed With Lien Covenant dated August 8, 2003, and recorded August 13, 2003 in the Jefferson County Clerk’s Office in File No. 2023-00012908, and identified as Tax Parcel Number 114.00-1-64.1 (the “Landlord’s Property”); and

WHEREAS, Tenant desires to use a portion of the Landlord's Property as a project staging and marshaling yard in connection with the CTBR – Clay to Tar Hill to Black River Project (the “Project”).

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged under seal, the parties hereto agree as follows:

1. **Description of Leased Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord a portion of the Landlord's Property consisting of approximately 10 (+/-) acres, together with the right to use in common with others the areas of the Landlord’s Property providing access to a public way and utilities, as shown on the sketch plan attached hereto as Exhibit “A” and made a part hereof (the “Leased Premises”).
2. **Term.** The term of this Lease shall be for a period of three (3) years, commencing on the Effective Date, and expiring three (3) years from the Effective Date (the “Term”). Provided that Tenant is not then in default beyond any cure period, Tenant shall have the option to extend the term of this Lease for one (1) additional consecutive one (1) year term (an “Extension Period”) thereafter by providing written notice of its election to extend the Term prior to the expiration of the Term.
3. **Rent.** Tenant shall pay to Landlord fixed annual rent in the amount of _____ to be paid within ninety (90) days from the Effective Date. If Tenant exercises its option to extend the Term of this Lease pursuant to Paragraph 2, the rent for each extension Term in the amount of _____ per year, shall be due on the first day of each extension Term. For any payment that is not paid within thirty (30) days after its due date, Tenant shall pay a late fee of 1% of the amount owed.
4. **Use of the Leased Premises.** Tenant shall have the exclusive right to use and possess the Leased Premises in the County of Jefferson for any and all project-related activities including but not limited to, storage and lay down of equipment and materials, parking of vehicles, equipment storage and refueling, assembling work crews, placement of a temporary construction trailer, and facilities for the marshaling area and trailer location (e.g., telephone, electricity, gas, propane and/or water, to the extent necessary and/or available) and shall further have the right to grade, place stone and to install fencing and gates, subject to the terms of Paragraph 13; together with the non-exclusive right of ingress and egress, including “turn around” and with prior approval from

Landlord, to install poles and wires for utility purposes, over, across and upon the non-leased portion of Landlord's Property. Notwithstanding the foregoing, Landlord reserves the right of ingress and egress over the Leased Premises to make inspections, provide necessary services, or show the Premises to prospective buyers, mortgagees or tenants. However, Landlord does not assume any liability for the care or supervision of the Leased Premises.

5. **Representation and Warranties.** Landlord represents and warrants to Tenant that Landlord is the current record owner in fee simple of the Landlord's Property. Landlord further represents and warrants that it has good right, full power and lawful authority to enter into the Lease for the term.
6. **Compliance with Laws.** Tenant shall comply with all applicable provisions of federal, state and municipal laws, codes, regulations and ordinances affecting the Tenant's use of the Leased Premises pursuant to this Lease.
7. **Notice.** Any notice given by Landlord or Tenant with respect to this Lease shall be deemed duly served only if mailed by registered or certified mail, return receipt requested, postage prepaid, or if sent by recognized overnight courier capable of providing a written receipt, if to Tenant to 300 Erie Blvd. West, Syracuse, NY 13202, Attention: REAL ESTATE DEPARTMENT and if to Landlord at the address set forth on page one of this Lease.
8. **Real Estate Taxes and User Fees.** During the term of this Lease the Tenant shall, upon proper evidence being supplied by the Landlord, be responsible for paying any Town-imposed Real Estate Taxes or User Fees directly related to the Tenant's improvements.
9. **Surrender.** Tenant shall, upon termination of this Lease, remove all Tenant's personal property, all improvements and equipment from the Leased Premises. If Tenant's property is not removed within thirty (30) days after termination, Landlord is hereby authorized, without liability to Tenant for loss or damage thereto, and at the sole risk of Tenant, to remove any of the property at a public or private sale, without notice, any or all of the property not so removed, and to apply the net proceeds of such sale to the payment of any sum due hereunder. At the end of the Term, Tenant shall restore the Leased Premises to substantially the same condition of the Leased Premises at the commencement of this Lease, normal wear and tear excepted, subject to the foregoing provisions.
10. **Default.** Tenant shall be in default of this Lease if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within ten (10) days (or any other obligation within thirty (30) days after written notice of such default is provided by Landlord to Tenant), Landlord may terminate this Lease and/or take possession of the Leased Premises without further notice (to the extent permitted by law), and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent". The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.
11. **Indemnification.** Tenant will defend and indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury and/or damages to property arising directly from the exercise of its rights under this Lease by Tenant. The foregoing indemnification shall not include injury or damage caused by or attributable to the sole negligence or willful

misconduct of the Landlord or the employees, agents or contractors of Landlord, nor shall Tenant its affiliates, agents, employees, or contractors be liable for any special, indirect, incidental, consequential or punitive damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, including loss of profits or revenue suffered by Landlord or any of its respective affiliates, agents, employees, or contractors.

12. **Insurance.** Tenant shall, at its cost and expense, at all times during the term of this Lease, maintain bodily injury and property damage liability insurance covering the Leased Premises for any customarily insurable act, including liability arising from premises, operations, independent contractors, Products & Completed Operations of the Tenant, or omission of Tenant, its employees, agents, representatives, assigns, guests, invitees, persons in privity with Tenant, or licensees. Such insurance policy shall be written for not less than Five Million and 00/100 Dollars (\$5,000,000.00) combined single limit of liability for bodily injury and property damage with an annual aggregate of Ten Million and 00/100 Dollars (\$10,000,000.00), and shall include Landlord, its officers, employees, agents and representatives as an Additional Insured, using ISO Additional Insured Endorsement CG 20 11 Additional Insured- Managers or Landlords of the Leased Premises with no exclusion for Pollution. Such insurance shall apply as primary insurance on a non-contributing basis before any other insurance or self-insurance, including any deductible, maintained by or provided to, the additional insured. Tenant shall deliver to Landlord a certificate of such insurance which shall also contain a 30-day prior written notice of cancellation provision. Such insurance shall be provided by a company or companies with an A.M. Best rating of not less than A- and authorized to do business in the state of New York. Tenant is responsible for maintaining casualty insurance on its own property with no exclusion for Pollution Liability.
13. **Hazardous Materials.** Landlord represents and warrants to Tenant that Landlord has no actual knowledge of Hazardous Materials on the Leased Premises. Tenant covenants, represents and warrants to Landlord that it will not place, or allow any subcontractors or agents to place, any hazardous materials on the Leased Premises. Landlord shall indemnify and hold Tenant harmless from any claims or costs related to hazardous materials at the Leased Premises or Property to the extent such hazardous materials did not directly result from Tenant's operations. The indemnity and hold harmless obligations of this Paragraph 12 shall survive the termination or expiration of this Lease. In the event Tenant directly causes a release of hazardous materials at the Leased Premises during the Term, Tenant shall have the right to perform any investigative and/or remedial work if required under environmental law, and shall indemnify and hold Landlord harmless from any claims or costs directly arising from Tenant's release of such hazardous materials.
14. **Improvements and Restoration.** Tenant may construct such fixtures on or make alterations of the Leased Premises at Tenant's expense that appropriately facilitate its use of the Leased Premises. Such construction shall be undertaken, and such fixtures may be installed only (a) with the prior written consent of the Landlord which shall not be unreasonably withheld or delayed and (b) in conformance with all laws and regulations.
15. **Mechanics Liens.** Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Leased Premises. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the Leased Premises free of all liens resulting from construction done by or for the Tenant. Tenant is obligated to promptly remove any such liens filed.
16. **Entire Agreement.** This Lease constitutes the entire agreement between the parties relating to the use of the Leased Premises as described herein and supersedes all prior oral and written offers, negotiations, proposals, representations, agreements, courses of dealing, and understandings between the parties relating to the subject matter hereof, and is subject to no understandings, conditions, or representations other than those expressly

stated herein.

17. **Utilities and Services.** No utilities are provided by Landlord. Utilities used will be at the sole expense of Tenant. Tenant may place portable toilets on the Leased Premises at its sole costs and expense. Upon the end of the term of the Lease, Tenant shall promptly remove the portable toilets. Upon Landlord prior approval, Tenant may install poles with wires for electric service and communications across Landlord's Property to the Leased Premises. Upon the termination or expiration of this Lease, Tenant will promptly remove the poles and wires.
18. **Covenant of Quiet Enjoyment.** The Landlord covenants and agrees that, upon the Tenant's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed under this Lease, the Tenant shall and may peaceably and quietly have, hold and enjoy the Leased Premises during the term of this Lease, without any manner of hindrance or molestation from the Landlord, subject, however, to the terms of this Lease.
19. **Assignment or Transfer by Landlord or Tenant.** No assignment or transfer of this Lease by Landlord shall be binding on Tenant unless the assignee or transferee shall assume and agree to be bound by the terms of the Lease and until notice of assignment or transfer together with an executed copy of such assignment or transfer instrument is received by Tenant. Tenant shall not have the right to assign, sublet or transfer any or all of its rights and privileges under the Lease without the prior written consent of Landlord, provided that nothing contained herein shall restrict Tenant's employees, agents, contractors and their respective subagents and subcontractors from availing themselves of any and all rights and privileges afforded hereunder.
20. **Modification.** No modification, alteration or amendment of this Lease shall be binding unless in writing and executed by both parties to the Lease.
21. **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Lease delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Lease.
22. **Governing Law.** This Lease and the enforcement thereof shall be governed by the laws of the State of New York.
23. **Binding Effect.** The terms and conditions of the Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Lease, or caused this Lease to be duly executed by their respective duly authorized representatives, as an instrument under seal as of the day and year first set forth above.

LANDORD:

THE DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

By: _____
Signature

By: _____
Printed Name

By: _____
Title

TENANT:

NIAGARA MOHAWK POWER CORPORATION

By: _____
Name: Melissa Phillips
Title: Authorized Representative

MEMORANDUM OF TEMPORARY MARSHALING YARD LEASE

In consideration of One Dollar (\$ 1.00) and other good and valuable consideration in hand this day paid, the receipt and sufficiency of which are hereby acknowledged **THE DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY, a public benefit corporation created by New York statute**, having an address of 23400 State Route 177, Rodman, New York 13682-2109 (“Landlord”) has heretofore entered into a written Temporary Marshaling Yard Lease dated _____, 20__, (hereinafter referred to as the “Lease”) with **NIAGARA MOHAWK POWER CORPORATION**, a New York Corporation, with an office at 300 Erie Boulevard West, Syracuse, New York 13202 (“Tenant”).

The Lease provides the Tenant with the use of a portion of the Landlord’s Property as a project staging and marshaling yard as shown on Exhibit A.

As used herein, “Landlord’s Property” means that parcel of real property situated in the Town of Rodman, County of Jefferson, State of New York, known as 23400 New York State Route 177, identified on the tax maps of the County of Jefferson as Tax Parcel No. 114.00-1-64.1 and further described in that certain Warranty Deed With Lien Covenant dated August 8, 2003, which is recorded with the Jefferson County Clerk’s Office (the “Clerk’s Office”) in File No. R-2023-00012908.

The term of this Lease shall be for a period of three (3) years, commencing on the Effective Date, and expiring three (3) years from the Effective Date (the “Term”). Tenant shall have the option to extend the term of this Lease for one (1) additional consecutive one (1) year term (an “Extension Period”) thereafter by providing written notice of its election to extend the Term prior to the expiration of the Term or Extension Period then in effect.

The parties hereto have agreed to execute this separate Memorandum of Temporary Marshaling Yard Lease for purposes of recording in the Clerk’s Office, as notice of the contractual rights and obligations between them under the Lease as those rights affect the Landlord’s Property. This Memorandum of Temporary Marshaling Yard Lease is not intended to, and shall not, modify, alter or terminate any term, provision, or condition of the Lease.

[Authorized Signatories on Following Page]

WITNESS the execution hereof, under seal, this _____ day of _____, 20__.

LANDLORD: **THE DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY**

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENTS

STATE OF NEW YORK)

COUNTY OF _____) SS.:

On the _____ day of _____, 20__, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he/she resides in _____, _____ that he/she is the _____ of **The Development Authority of the North Country**, the company described in and which executed the above instrument; and that he/she signed his name thereto by authority of the company.

Notary Public



Board Resolution No. 2026-06-54
June 25, 2026

HOUSING REVOLVING LOAN FUND
BROWNSTONE LODGE LLC
LOAN MODIFICATION

Whereas, **Resolution No. 2024-02-17** authorized a loan of up to \$600,000 in construction financing and \$300,000 in permanent financing from the Housing Revolving Loan Fund to Brownstone Lodge LLC to make improvements to properties in downtown Chaumont, Jefferson County, and

Whereas, Brownstone Lodge LLC was awarded a RESTORE NY grant of \$994,172 to make improvements to four properties in the Village of Chaumont, and

Whereas, the project will create 7 market rate rental housing units and new commercial space in Chaumont, and

Whereas, Brownstone Lodge LLC has substantially completed the improvements to the buildings and, upon completion, must submit paperwork to New York State for reimbursement of the RESTORE NY grant in order to pay down the Authority's loan, and

Whereas, Brownstone Lodge LLC has requested that the Authority extend the term of our construction loan with interest-only payments until December 1, 2026, and

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

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby approve the loan modification to extend the \$600,000 construction loan to Brownstone Lodge LLC from the Housing Revolving Loan Fund at the attached terms and conditions, to mature no later than December 1, 2026, or upon receipt of the final grant disbursement, whichever occurs first.

TERM SHEET

Borrower:	Brownstone Lodge LLC
Loan Fund:	Housing Revolving Loan Fund
Loan Amount:	Construction loan \$600,000.00, paid down to \$300,000 upon conversion to permanent financing
Term:	24 months construction; 240 months term/360-month amortization upon conversion to permanent financing
Rate:	½ Wall Street Journal Prime plus 1 set at closing
Payment:	Interest only payment during construction; then monthly principal and interest payments
Collateral:	<ul style="list-style-type: none">- Assignment of payments from RESTORE NY grant to pay construction loan down to \$300,000.- Second mortgage on 12119 NYS Route 12E, 27428 Mill Street, White Building, and Woodshop Building in Chaumont, NY 13622 behind Watertown Savings Bank.- Assignment of Leases and Rents- Second lien on all assets associated with projects.
Conditions:	<ul style="list-style-type: none">- Watertown Savings Bank financing of \$1,000,000 during construction and \$600,000 permanent financing.- Owner equity of \$294,172 during construction phase.- 1% processing fee paid on \$600,000 loan due at construction loan closing.- All required permits and approvals- As completed appraisal with a minimum value of \$900,000 for a 1:1 LTV.- Copy of RESTORE NY Award letter- Lease between hardware store and Brownstone Lodge LLC- Personal Guaranty of Reginald Schweitzer Jr.



Board Resolution No. 2026-06-55
June 25, 2026

**MATERIALS MANAGEMENT FACILITY
LEACHATE TREATMENT PROJECT
WATER QUALITY IMPROVEMENT PROJECT (WQIP) GRANT**

Whereas, pursuant to **Resolution No. 2025-02-07** the Development Authority of the North Country (Authority) established Capital Project 20-228 Materials Management Facility (MMF) Leachate Pre-Treatment. Such project was authorized to complete the planning and design of a leachate pre-treatment facility to address upcoming regulatory requirements by the New York State Department of Environmental Conservation (NYSDEC), and

Whereas, NYSDEC has identified Per- and Polyfluoroalkyl Substances (PFAS) and Perfluorooctanesulfonic Acid (PFOA) to be an emerging contaminant eligible for funding through the New York State Environmental Facilities Corporation (NYSEFC) Bipartisan Infrastructure Law – Emerging Contaminants (BIL-EC) funding program and landfill leachate is a major contributor to PFAS/PFOAs in biosolids when treated, and

Whereas, the Authority was awarded and accepted a grant from the NYSEFC through the 2025 BIL-EC Program in the amount of \$1,442,000 to complete the planning and design of a leachate pre-treatment system, and

Whereas, the Authority has taken steps to complete a Preliminary Engineering Report (PER) to determine the best approach to treating the landfill leachate in accordance with the upcoming NYSDEC regulations, and

Whereas, the project identified in the PER to design and construct the leachate treatment facility has a total budget of \$37,970,000, and

Whereas, the Authority has listed the full project amount on the NYSEFC Intended Use Plan and could be eligible for a maximum grant of \$25,000,000 from the NYSEFC BIL-EC program. If awarded, \$12,970,000 in project costs would remain unfunded, and

Whereas, the NYSDEC announced funding through the WQIP program for Landfill Leachate Treatment projects with a maximum award of \$10,000,000 and a matching requirement of 25% of the award amount, and

Whereas, the MMF Leachate Pre-Treatment project is eligible to receive grant funding through the NYSDEC WQIP program.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby authorize the Executive Director or assigned designee to submit an application requesting \$10,000,000 in grant funds from the New York State Department of Environmental Conservation Water Quality Improvement Projects program to assist with costs associated with the design and construction of the MMF Leachate Pre-Treatment Project, and be it further

RESOLVED, that the Development Authority of the North Country commits \$2,975,000 towards the completion of the MMF Leachate Pre-Treatment Project, which will fulfill the required 25% minimum match requirement, and be it further

RESOLVED, that the Development Authority of the North Country does hereby authorize the Executive Director or assigned designee to act as the project's "Authorized Representative", to execute any and all documents and agreement(s) associated with the MMF Leachate Pre-Treatment Project pertaining to the WQIP application and grant.