



MEETING NOTICE

**Thursday, June 26, 2025
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: 870 3947 9398 Passcode: 612915

<https://us02web.zoom.us/j/87039479398?pwd=ST5QK7zSz5lkChSOXEaMsJXx07Ja4i.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:
245 Hennepin Avenue, Minneapolis, Minnesota 55401

Board Member Doheny will be participating via Zoom at:
670 White Plains Road, Tarrytown, New York 10591

Board Member Henry will be participating via Zoom at:
622 Rivershore Drive, Clayton, New York 13624

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



AGENDA
BOARD OF DIRECTORS MEETING
Thursday, June 26, 2025 – 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 29, 2025 Board Meeting
5. Chairperson's Report
6. Executive Director's Report
7. FYE 2025 Investment Report – RBC
8. Independent Audit – EFPR Group
 - a. Resolution No. 2025-06-41, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2025
 - b. Resolution No. 2025-06-42, Approving the Assessment of the Effectiveness of Internal Controls, Development Authority of the North Country, Fiscal Year Ending March 31, 2025
 - c. Resolution No. 2025-06-43, Approving Annual Bond Sales Report, Fiscal Year Ending March 31, 2025
9. Finance Report – Chief Financial Officer

Approving Financials for the month ending April 30, 2025
10. Technical Services Summary Report – Chief Operating Officer
 - a. Approving Technical Services Summary Report

11. Materials Management

- a. Resolution No. 2025-06-44, Fiscal Year 2026 Operating Budget Amendment, Materials Management Facility, Sale of Carbon Credit Offsets

12. Regional Development

- a. Loan Report
- b. Resolution No. 2025-06-45, Authorizing Consolidated Funding Application, Upstate Revitalization Initiative, North Country Housing Program

13. Next Meeting Date – August 28, 2025 (Open House)

14. Adjourn



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, May 29, 2025 – 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 29, 2025 at 10:30 AM.

Members Present

Voting

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

Non-Voting

Steve Hunt
Brian McGrath*

*Attended via videoconferencing.

Members Absent

Nancy Henry

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
David Wolf, Director of Telecommunications
Angela Marra, Executive Assistant
Matt Taylor, Senior Project Development Specialist

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Bruce Armstrong, North Country HOME Consortium
Kent Burto, North Country HOME Consortium

1. Chairperson Murray called the meeting to order at 10:31 AM.

2. Chairperson Murray requested a roll call.
 - A quorum of voting and non-voting members was established.
3. Privilege of the Floor -
4. Upon a motion by M. Hall and seconded by D. Mastascusa, the minutes from the March 27, 2025 Board Meeting were unanimously approved.
5. Chairperson's Report
 - a. M. Murray expressed her appreciation for the completion and return of the Confidential Evaluation of Board Performance, Executive Director's Annual Performance Review, and the Disclosure of Outside Interests documentation.
 - b. M. Murray announced that the City of Watertown has reappointed Mary Doheny to serve another four-year term on the Development Authority's Board of Directors for the period June 6, 2025 to June 5, 2029.
 - c. Our next Board Meeting will be held on June 26th at 10:30 at the James W. Wright Conference Room. The primary purpose of this meeting is to review and accept the Fiscal Year 2025 Audit.

We are tentatively looking to schedule a meeting of the Audit Committee for the week of June 16th. Staff will contact members of the Audit Committee to schedule the meeting.
 - d. The Authority will host an Open House at the Materials Management Facility on August 28th from 4:00 – 6:00 PM. Our Board Meeting will be held the same day at the facility at 10:30 AM. A bus will be available to provide Board members a tour of the facility. Lunch will be provided.

6. Staff Presentation – North Country HOME Consortium

M. Taylor, the Senior Project Development Specialist with the Authority, presented a Power Point Presentation on the North Country HOME Consortium which is celebrating its 30th anniversary this year. He explained the Consortium and its unique relationship with Jefferson and St. Lawrence Counties, and with the Development Authority working as its administrator. The original purpose of the Consortium was to maximize federal funding opportunities, and the counties partnered together to apply for this funding and support housing across the three-county service area.

M. Taylor concluded by introducing two members of the Consortium administrative board who have been strong advocates providing expertise and guidance for over 30 years, Bruce Armstrong and Kent Burto.

A. MacKinnon commented that he has heard many good things about the management of the Consortium, especially from the people who have been recipients of this funding.

M. Capone commented that over the past year a huge feat has been accomplished in bringing all of the municipalities back into the Consortium again. The allocation is now up to \$950,000 meaning more money is available to the communities for housing in their locations. She further expressed her appreciation to B. Armstrong and K. Burto, as well as the Jefferson County staff, and expressed how important the teamwork is that goes into making this program a success.

- a. Resolution No. 2025-05-30, recognizes and extends sincere appreciation to Bruce Armstrong for his 30 years of dedicated and impactful service in improving housing throughout the North Country. His steadfast commitment and leadership through the North Country HOME Consortium have contributed to the well-being of many individuals and communities across the region.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2025-05-30, Recognizing the Service of Bruce Armstrong to the North Country HOME Consortium, was unanimously approved.

B. Armstrong expressed his appreciation to the Board for this recognition. He particularly thanked all the Board members, past and present, for their support, and the staff and their administrative board.

- b. Resolution No. 2025-05-31, recognizes and extends sincere appreciation to Kent Burto for his 30 years of dedicated and impactful service in improving housing throughout the North Country. His steadfast commitment and leadership through the North Country HOME Consortium have contributed to the well-being of many individuals and communities across the region.

Upon a motion by T. Hefferon and seconded by E. Virkler, Resolution No. 2025-05-31, Recognizing the Service of Kent Burto to the North Country HOME Consortium, was unanimously approved.

K. Burto thanked the Authority for this recognition and stated this has been a very enjoyable 30 years, especially being able to do many nice things for people who would not have had the opportunity otherwise.

7. Executive Director's Report

a. Performance Measurements –

C. Farone reviewed highlights of the Performance Measurements Report for FY 2024-2025, which is a requirement of the state. He continued with a reviewed of noted accomplishments, such as providing regional initiative services and infrastructure, entering into a contract with the state to launch Next Move NY, and the Engineering Division providing technical services for water sewer capital projects. All of the highlights are impactful and will help support existing and future economic development in the area. Following the achievements are items the Authority fell short on, listed in red. These include missing the established goals for the SDVOB and MWBE programs, receiving an administrative order on the Army Waterline, and municipal water treatment plants operated by the Authority had 34 violations. The last section of the report focused on the skilled and credentialed workforce at the Authority, where this

year 14 Water Quality staff obtained additional wastewater operator certifications, an equipment operator at Materials Management obtained a CDL-A license, one employee was licensed as a Remote Pilot for drone operation, a Telecommunications employee completed their Project Management Professional Course, eight employees completed Lean 101 coursework, 60 Authority staff completed Incident Command 100 training offered by FEMA, five Authority staff successfully obtained their Notary Public licenses, and two Human Resources professionals earned Continuing Education Credits.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, accepting the Fiscal Year End 2025 Performance Measurements Report, April 1, 2024 – March 31, 2025, was unanimously approved.

Mary Doheny arrived 11:00am via Zoom.

- b. Armed Forces Day Breakfast -
C. Farone reported that he was fortunate to attend the Armed Forces Day breakfast sponsored by the Greater Watertown-North Country Chamber of Commerce with seven of the eleven Authority staff members who are veterans, representing each division within the Authority.
- c. Fort Drum Day in Albany –
M. Capone attended Fort Drum Day in Albany to help reinforce the significance of Fort Drum to New York State officials and its economic impact on our area.
- d. Lewis County Legislature & County Staff Visit MMF -
C. Farone reported that members of the Lewis County Legislature, county staff and Board Members representing Lewis County toured the landfill on May 9 to see the operations first hand. They learned how the landfill operates, how it is financed and about upcoming capital projects.
- e. MMF DEC Inspection -
C. Farone reported DEC staff stopped into the Solid Waste Management Facility for an unscheduled inspection, and we can happily report that the inspection resulted in a clean bill of health with no findings.
- e. Household Hazardous Waste (HHW) Events –
C. Farone reported that the first collection of 2025 was held at the St. Lawrence County Fairgrounds in Gouverneur on May 17th and was a success with 103 households participating. He reviewed the upcoming schedule for four more HHW events.
- f. Next Move NY UPDATE -
C. Farone shared that Next Move NY has moved into the new offices at the NEST in April. He continued with a review of the Program Engagement & Employer Outreach, and reported on events attended and the numbers on Soldier and Veteran Engagement. C. Farone further shared that himself, S. Hunt, and Dr. Morris and Jim McKenna, Co-chairs of the North Country Regional Economic Development Council, presented the Next Move NY initiative to the Empire State Development senior officials, as well as all regional

councils across the state and the program was very well received. He also reported that we have had the first two transitioning soldiers placed with employment.

A. MacKinnon commented on the Next Move NY tour of the Empire State Mine and the CIVES Steel Plant, both of which are excited about attracting the transitioning military personnel to join their workforce.

g. Staff Updates -

C. Farone reported that N. Thomas has been promoted to Supervisor of Outside Plant Engineering & Construction (from Outside Plant Engineer II)

8. Financials –

a. Finance Report – Chief Financial Officer

J. Staples stated that the Authority closed its fiscal year on March 31, 2025. In April the finance team put together the necessary paperwork in preparation of turning over the trial balance to the external auditors on May 6th. The auditors worked on site at the State Office Building the week of May 12th and are currently putting together the final audit documents for the finance team review which is due on June 6th. The Audit Committee will then meet in June 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 26th Board meeting.

J. Staples continued with a review of the highlights within the March year-to-date financials. Customer Billings came in \$2.2 million below budget with both the Regional Water Line and Engineering over budget while all other divisions were under. Materials Management was 10%, or 1.2 million, below budget mostly due to waste volumes being lower than projected in all areas except beneficial and sewage sludge. The Army Sewer Line and Army Water Line were both below budget, but these both operate at a zero profit and we perform a true-up at the end of each year by taking what we billed and netting it against expenses where the net result is either a credit owed to or a charge billed to the Army. In fiscal year 25 the Authority owes the Army credits which reduced the total revenue as these credits are reflected in the March Customer Billing numbers. Grant revenue was over budget by \$1.4 million. Telecom has federal grant income of \$4.2 million mainly associated with the NTIA Grant. This revenue put Telecom over budget by \$1.8 million. Just over half of the NTIA Grant revenue was for fiber purchased for the project. We also received grant funds from EFC for the Army Water Line pipeline replacement project that came in February and March. Total operating income came in just under \$1.1 million or 3% less than budget. Under Operating Expenses, the Authority ended up under budget by 1.4 million with the two top categories making up 62% of this shortfall. Operating and Maintenance costs were under budget by \$444,000. This is mainly due to Telecom and Materials Management. Under Telecom there were three main reasons for the underspend; the decision was made to forego a maintenance contract and use spare equipment so they did not need to purchase the maintenance contract; they budgeted for a maintenance contract for one vendor and instead used a third-party vendor whose

maintenance contract came in much less than had been budgeted; and telecom's offnet circuit lease expenses were under budget because they had cancelled several offnet circuits earlier in the fiscal year. Some of these circuits were moved to different technology and others were cancelled due to loss of business when a customer with several sites was bought and the circuits moved off our network. Under Materials Management they were mainly under budget due to fuel costs being lower because the budget assumed two working faces operating together, but they are currently only working one face at a time which reduced the amount of fuel needed to operate the equipment. The other category that was underspent was professional fees, which is under budget by \$423,000. The two largest variances were Materials Management being under budget \$183,000 because the 2023 carbon credit verification process was not completed in Fiscal Year 2025. The sale of these credits is anticipated to be completed in Fiscal Year 26. Also under Professional Services, Next Move NY is underbudget within Consulting Fees by \$189,000 as only \$20,000 of the fees has been incurred through the end of the year. Fringe Benefits was the largest item to come in over budget within Operating Expenses. This is associated with the GASB 68 pension adjustment resulting in a \$439,000 increase to the pension expense. Depreciation expense was \$11 million versus the budgeted \$12.4 million. The two main divisions under budget were Materials Management and Telecom. Materials Management was under budget due to the articulated hauler that was anticipated to be purchased in Fiscal Year 25, but there were delays in building the hauler so that piece of equipment was not received or capitalized in 2025. Telecom is under budget in depreciation due to the majority of the Fiscal Year 25 capital project spend still ongoing and therefore will be carried over into Fiscal Year 26. The Total Operating Income came in at \$1.6 million better than budget.

Interest Income was \$568,000 over budget as we continue to see decent interest rates. The Market Adjustment was a positive \$1.2 million; however, this is not a realized gain but a necessary accounting entry to bring the investments up to the current market value. Pension expense paid to New York State came in at \$45,000 under budget, however, we are required to make an adjusting entry to comply with GASB 68. This is strictly an accounting entry made as part of our participation in the New York State Retirement Pension Plan. We are required to report our proportionate share of the state's overall pension liability and pension expense. This year the adjusting entry was \$439,000, as mentioned previously. We do not pay this amount to the state, and we do not receive funds in years this is a credit as this is strictly an accounting entry required by GASB.

Under Waste Volumes within Materials Management, we see that projected tons were off from actual tons by 7% or 16,672 tons. This shortfall was in all categories except for beneficial sludge and sewage sludge. Host Community Benefits for Materials Management came in under budget by \$20,000, directly associated with actual tonnage being lower than projected.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, financials ending March 31, 2025, were unanimously approved.

9. Governance

- a. Resolution No. 2025-05-32, authorizes the Authority's Executive Director to enter into an agreement with St. Lawrence-Lewis BOCES to lease office space suitable to the Authority's needs and said office will be housed in St. Lawrence-Lewis BOCES facilities located in Canton, New York.

Upon a motion by A. MacKinnon and seconded by D. Mastascusa, Resolution No. 2025-05-32, Office Space Lease, St. Lawrence County, Development Authority of the North Country, was unanimously approved.

10. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Town of Clifton, O&M Agreement, Operations & Maintenance Agreement Amendment 1, Total Agreement Amount of \$167,248, 1/1/26 – 12/31/27, St. Lawrence County
- II. Town of Parishville, O&M Agreement, Operations & Maintenance Agreement Amendment 1, Total Agreement Amount of \$134,135.25, 1/1/26 – 12/31/27, St. Lawrence County
- III. Town of Wilna, Herrings Sewer District, O&M Agreement, Operations & Maintenance Agreement Amendment 1, Total Agreement Amount of \$68,276.50, 1/1/26 – 12/31/27, Jefferson County
- C. Tuttle explained that the Authority has been evaluating the fixed fee costs within the O&M Agreements with Clifton, Parishville and Wilna, and we realized that our expenses have increased more than originally anticipated. We have given the communities six months' notice of these increases and these contracts will not go into effect until January 1, 2026. Additionally, the duration of these contracts have been changed to align with their fiscal year. We have met with each of these communities to discuss the increases and evaluate their options.
- IV. Town of Gouverneur, O&M Agreement, Operations & Maintenance Agreement (5 Year Renewal), Total Agreement Amount of \$271,000, 1/1/26 – 12/31/30, St. Lawrence County
- V. Town of Champion, Technical Services Agreement, I&I Study Amendment 1, Total Agreement Amount of \$7,450.00, 5/1/25 – 12/31/25, Jefferson County
- VI. Town of LeRay, Technical Services Agreement, I&I Study Amendment 1, Total Agreement Amount of \$7,450.00, 5/1/25 – 12/31/25, Jefferson County
- VII. Town of Rutland, Technical Services Agreement, I&I Study Amendment 1, Total Agreement Amount of \$7,450.00, 5/1/25 – 12/31/25, Jefferson County
- VIII. Adirondack Medical Center, Technical Services Agreement, NBRC Grant Administration (AP-NBRC-138) Upgrades to telehealth equipment, Total Agreement Amount of \$9,600.00, 5/1/25 – 12/31/26, Franklin County

- IX. Village of Gouverneur, GIS Agreement, GIS Web-Based Hosting Services Agreement (renewed 5 year contract of services), Total Agreement Amount \$8,800.00, 6/1/25 – 5/31/30, St. Lawrence County
- X. Village of Rensselaer Falls, GIS Agreement, GIS Web-Based Hosting Services Agreement (renewed 5 year contract of services), Total Agreement Amount \$4,650.00, 6/1/25 – 5/31/30, St. Lawrence County
- XI. Village of Massena, GIS Agreement, GIS Web-Based Hosting Services Agreement (renewed 5 year contract of services), Total Agreement Amount \$8,800.00, 6/1/25 – 5/31/30, St. Lawrence County
- XII. Village of Philadelphia, GIS Agreement, GIS Web-Based Hosting Services Agreement (renewed 5 year contract of services), Total Agreement Amount \$4,650.00, 6/1/25 – 5/31/30, Jefferson County
- XIII. Town of Tupper Lake, Regional Development, NYS AHC Grant Administration and Program Delivery, Total Agreement Amount \$26,400.00, 5/29/25 – 12/31/27, Franklin County

Upon a motion by E. Virkler, and seconded by M. Hall, Board Contract Summary Table items numbered I through XIII for the month of May were unanimously approved.

b. Lewis County Contracts –

- XIV. Lewis County, Technical Services Agreement, Former Lyons Falls School Redevelopment Amendment No. 2, Total Agreement Amount of \$28,000, 5/1/25 – 12/31/25, Lewis County

Upon a motion by D. Mastascusa, and seconded by M. Hall, Board Contract Summary Table item numbered XIV for the month of May was approved and E. Virkler abstained.

11. Engineering –

- a. Resolution No. 2025-05-33, authorizes the Executive Director to negotiate and enter into a Memorandum of Agreement annually with the Northern Border Regional Commission and the State of New York to provide Technical Services and staff support for the administration of the Authority's duties as a Local Development District in Jefferson, Lewis, St. Lawrence and Franklin counties as identified within the resolution.

C. Tuttle stated that the initial criteria was for a population of 3,000, but has since been changed to 5,000 based upon feedback from some of the LDD's. The projected resolution for the meeting read 3,000, however this resolution will be amended to read 5,000 when the resolution is certified, as per the NBRC. This change is in an effort to encourage additional applications for these small communities.

E. Virkler asked if this was the item that was in the news not too long ago stating that this program or entity was going to be cut. C. Tuttle responded that we had also heard that the NBRC was one of the entities that the federal government was looking at, but these funds that the NBRC has been appropriated are in prior fiscal years. She further stated that we have been told by the NBRC that funding is in place for this year and next at a minimum, and they will see what happens from there. She thinks the NBRC funding is tied to the Ag Bill and linked with other funding where it is not easily separated out from the other appropriations that may be a higher priority for the federal government.

E. Virkler also asked if we have to attempt to spend \$110,000 before September. C. Tuttle replied that T. Haynes' group will be the ones administering these for the Authority and will be a capacity situation based on what makes sense and what we can realistically do. She further stated that there are activities that his group is doing already that they are not being reimbursed for and this would be a way for us to help cover our costs.

Upon a motion by E. Virkler and seconded by D. Mastascusa, Resolution No. 2025-05-33, Memorandum of Agreement, State of New York, The Northern Border Regional Commission, and The Development Authority of the North Country, was unanimously approved.

12. Materials Management –

- a. Resolution No. 2025-05-34, determines that the Leachate Pre-treatment Study project is a Type II Action, and will not have a significant adverse impact in the environment, and therefore no Environmental Impact Statement needs to be prepared and no further action with regard to the SEQRA is required.

Upon a motion by D. Mastascusa and seconded by E. Virkler, Resolution No. 2025-05-34, Materials Management Facility, State Environmental Quality Review Act Determination, Leachate Pre-Treatment Study, was unanimously approved.

- b. Resolution No. 2025-05-35, amends the Material Management Division Capital Budget for the FYE 2026 Stage V Closure (Project 20205) to increase the budget from \$10,450,000 to \$13,625,000, with such increase being funded from the Closure Reserve.

Upon a motion by T. Hefferon and seconded by M. Hall, Resolution No. 2025-05-35, Capital Project Budget Amendment, Materials Management Division, Stage V Closure, was unanimously approved.

- c. Resolution No. 2025-05-36, authorizes the Executive Director to negotiate and enter into Amendment No. 1 to the Memorandum of Understanding detailing the partnership between Fort Drum and the Authority to increase waste diversion for the Planning Unit.

Upon a motion by M. Hall and seconded by E. Virkler, Resolution No. 2025-05-36, Memorandum of Understanding Amendment No. 1, The United States Army

Garrison, Fort Drum, New York, The Development Authority of the North Country, Management of Solid Waste, Recyclables, and Scrap Materials, was unanimously approved.

13. Water Quality –

- a. Resolution No. 2025-05-37, approves the Technical Services Agreement by and between the Authority and the Village. The Executive Director is hereby authorized and directed to negotiate an agreeable start date to commence such services and execute said agreement.

Upon a motion by D. Mastascusa and seconded by M. Hall, Resolution No. 2025-05-37, Technical Services Agreement, Village of Malone, Leachate Pretreatment Project Pilot, was unanimously approved.

14. Regional Development –

- a. Loan Report –

M. Capone reported that a couple loans are two months past due. The North Country Rural Preservation typically runs a few months past due with their cash flow loan and she will review their financial statements to see if they owe us a cash payment at this time, otherwise the interest will accrue to the outstanding balance. Clifton Fine Hospital also tends to run a couple months past due and they will get current. Windwater Enterprises is a tourism loan and runs a couple months past due and then comes current. Woods Inn 1894, also a tourism loan, is going through bank foreclosure. We had worked through an arrangement with an investment group to acquire the Woods Inn 1894 and assume the outstanding loan, but that deal fell through with the bank so they are trying to work out other options. All other loans are being paid as agreed at this time.

B. McGrath asked if this statement includes the zoo. M. Capone responded yes; the zoo is current. We gave them the option of continuing with moratoriums on payments and they chose to go back to making regular payments in October and they are in fact current.

- b. Resolution No. 2025-05-38, 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 29, 2025 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 this project occupancy is at 93.75%.

Upon a motion by T. Hefferon and seconded by D. Mastascusa, Resolution No. 2025-05-38, Annual Report, Creek Wood Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- c. Resolution No. 2025-05-39, 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 29, 2025 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 94.23%.

Upon a motion by E. Virkler and seconded by M. Hall, Resolution No. 2025-05-39, Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- d. Resolution No. 2025-05-40, extends the term of the Jefferson County Historical Society loan for an additional 9 months subject to the Term Sheet as attached to the resolution.

Upon a motion by M. Hall and seconded by D. Mastascusa, Resolution No. 2025-05-40, Economic Development Fund, Jefferson County Historical Society, Loan Extension, was unanimously approved.

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

Upon a motion by A. MacKinnon and seconded by M. Hall, the Board moved into Executive Session at 11:48 AM.

Upon a motion by D. Mastascusa and seconded A. MacKinnon, the Board moved out of Executive Session at 12:05 PM.


No action was taken.

16. Next Board Meeting Date – June 26, 2025 (Required for Audit Approval)

17. Adjourn -

- a. Upon a motion by M. Hall and seconded by E. Virkler, the meeting was adjourned at 12:05 PM.

Respectfully submitted,


Dennis Mastascusa
Board Secretary

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

FISCAL YEAR END: MARCH 31, 2025

CEDAR SUMMIT FINANCIAL ADVISORS

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

DONALD MUSNICKI, AIF® AWM
FIRST VICE PRESIDENT
FINANCIAL ADVISOR
SENIOR PORTFOLIO MANAGER
DONALD.MUSNICKI@RBC.COM

JOHN NUBER, CFA
ASSOCIATE VICE PRESIDENT
FINANCIAL ADVISOR
JOHN.NUBER@RBC.COM

CHARLIE MOUAIKEL
FINANCIAL ADVISOR
CHARLES.MOUAIKEL@RBC.COM



**Wealth
Management**

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

Development Authority of the North Country

April 1, 2024 - March 31, 2025

Fiscal year end - March 31, 2025

Portfolio Review

We have compiled the performance numbers for the fiscal year end March 31, 2025.

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.**

Bond across the curve returned positive performance for the fiscal year. Your portfolios are primarily invested in short to intermediate-term instruments, and the portfolio held up relatively well in a volatile environment. We'd also note that with FDIC-insured CDs that are held to maturity, negative market value adjustments do not reflect lost capital, only a lower mark-to-market value one would receive if one were to sell prior to maturity.

The consolidated Comerica account finished the year with total net income of \$2,467,384.03 or 2.65%. The Bank of NY Capital Improvement account generated net income of \$2,739.16 for the year. The total portfolio net income generated for the year was \$2,470,123.19 or 2.66%.

The market value adjustment for the Comerica accounts for the year was \$2,456,875.75 or 2.64%. The total portfolio adjustment was \$2,456,875.75 or 2.64%.

The total return, after the market value adjustment, for the Comerica accounts was \$4,924,259.78 or 5.29%.

The total Portfolio return, after market value adjustment, for the year was \$4,926,998.94 or 5.30%.

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 | 5.04% | Community Rental | 5.55% |
| General Operating | 5.01% | Affordable Rental | 5.67% |
| Water / Sewer | 5.60% | Revolving Loan | 5.43% |
| Closure Post Closure | 5.23% | Wetlands Mitigation | 4.82% |
| Economic Fund | 5.16% | Liner | 5.21% |
| Open Access | 5.30% | | |
| OPEB | 5.50% | | |
| TIP Fee | 5.33% | | |
| NCEDF | 5.11% | | |

For the same period the following benchmarks performed as follows:

| | |
|---|-------|
| 3 month T Bill | 4.97% |
| Barclays US Aggregate Government - Treasury | 4.51% |
| Barclays US Government/Credit | 4.66% |

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, 2024 - March 31, 2025
Fiscal year end - March 31, 2025

| | | | |
|---|-----------|-----------------------|---------------------------------|
| March 2024 - Statement on Market Value | \$ | 94,405,203.94 | |
| April 2024 - Income | \$ | 245,039.19 | |
| May 2024 - Income | \$ | 158,064.94 | |
| -change this period | \$ | (609.38) | |
| June 2024 - Income | \$ | 163,245.97 | |
| July 2024 - Income | \$ | 261,329.01 | |
| August 2024 - Income | \$ | 199,957.77 | |
| September 2024 - Income | \$ | 196,864.24 | |
| October 2024 - Income | \$ | 194,216.59 | |
| November 2024 - Income | \$ | 172,550.24 | |
| December 2024 - Income | \$ | 235,441.29 | |
| -change this period | \$ | (625.10) | |
| January 2025 - Income | \$ | 227,101.10 | |
| February 2025 - Income | \$ | 143,342.16 | |
| March 2025 - Income | \$ | 189,434.31 | |
| Total Income April 2024 - March 2025 | \$ | 2,385,352.33 | |
| March 31, 2024 - Accrued Income | \$ | (340,893.78) | |
| March 31, 2025 - Accrued Income | \$ | 422,925.48 | |
| Change in Accrued Income | \$ | 82,031.70 | |
| Total Net Income for the Full Year | \$ | 2,467,384.03 | (or) 2.65% Total Net Income |
| Market Value Adjustment for the Full Year | \$ | 2,456,875.75 | (or) 2.64% of Portfolio's Value |
| Total Return for the Full Year | \$ | 4,924,259.78 | (or) 5.29% Total Return |
| Transfer of assets and cash in | \$ | 1,795,226.80 | |
| Transfer of assets and cash out | \$ | (4,274,000.00) | |
| March 31, 2025 - Statement on Market Value | \$ | 96,850,690.52 | |

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.

Interest Rate Market Monitor



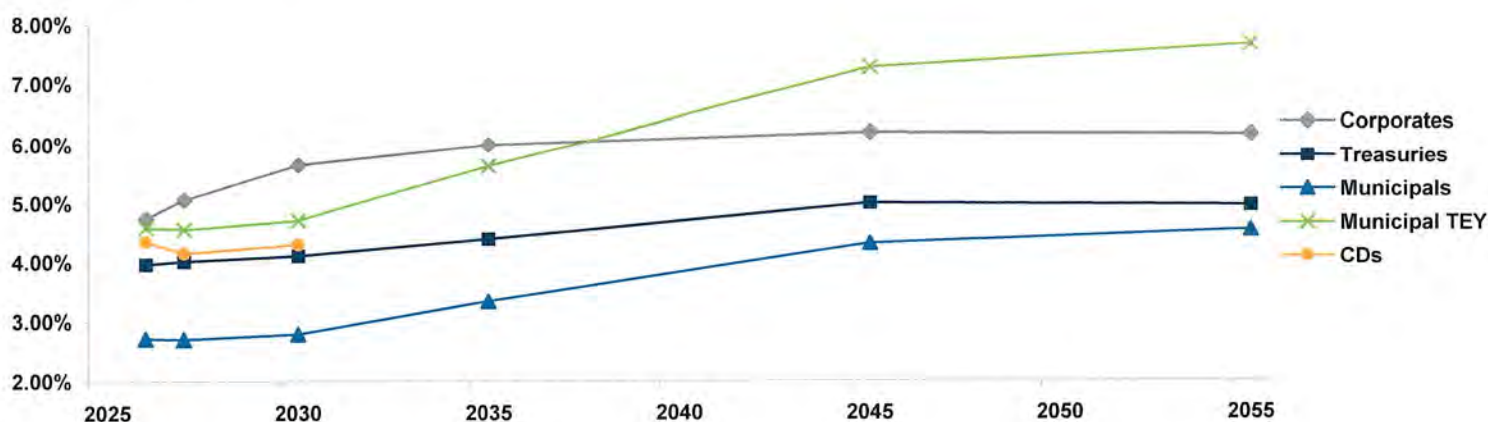
Wealth Management

Portfolio Advisory Group – U.S. Fixed Income Strategies

Indicated yields for selected securities

Monday, June 9, 2025

All indications are for round lots



| | Treasuries | Agencies (non-call) | BBB+ Rated Industrial Corporates | AAA Municipals G.O. | AAA Municipals TEY* | CDs Coupon | CDs APY** | Mortgage Backed | Treasury Zeros Maturity | Treasury Zeros Yield |
|---------|------------|---------------------|----------------------------------|---------------------|---------------------|------------|-----------|-----------------|-------------------------|----------------------|
| 3 month | 4.24% | | | | | 4.35% | 4.35% | | | |
| 6 month | 4.14% | | | | | 4.35% | 4.35% | | | |
| 1 year | 3.97% | 4.08% | 4.75% | 2.72% | 4.59% | 4.25% | 4.25% | | 5/15/26 | 4.14% |
| 2 year | 4.02% | 4.18% | 5.06% | 2.70% | 4.56% | 4.15% | | | 5/15/27 | 4.10% |
| 5 year | 4.11% | 4.37% | 5.06% | 2.79% | 4.71% | 4.00% | | | 5/15/30 | 4.28% |
| 10 year | 4.40% | 4.67% | 5.66% | 3.34% | 5.64% | --% | | | 5/15/35 | 4.73% |
| 15 year | - | 4.99% | 6.02% | 3.87% | 6.54% | | | 4.58% | 5/15/40 | 5.14% |
| 20 year | 5.00% | | 6.23% | 4.32% | 7.30% | | | | 5/15/45 | 5.29% |
| 30 year | 4.97% | | 6.20% | 4.56% | 7.70% | | | 5.33% | 5/15/55 | 4.96% |

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

315-788-4200

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

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

RBC Wealth Management U.S. Fixed Income Strategies

RBC Wealth Management is the trade name used by the wealth management business of RBC Capital Markets, LLC, a wholly owned subsidiary of Royal Bank of Canada (RBC). Products and services are offered through RBC Capital Markets, LLC. The material contained herein is not a product of any research department of RBC Wealth Management or any of its affiliates. Nothing herein constitutes a recommendation of any security or regarding any issuer, nor is it intended to provide information sufficient to make an investment decision. The information contained in this communication has been compiled by RBC Wealth Management from sources believed to be reliable, but no representation or warranty, express or implied, is made by RBC Wealth Management, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this communication constitute RBC Wealth Management's judgment as of the date of this communication, are subject to change without notice and are provided in good faith but without legal responsibility. Nothing in this communication constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and may have been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this communication may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Every province in Canada, state in the U.S., and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, any specific securities discussed in this communication may not be eligible for sale in some jurisdictions. This communication is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. To the fullest extent permitted by law neither RBC Wealth Management, nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this communication or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior consent of RBC Wealth Management. RBC Capital Markets, LLC may buy from or sell to customers on a principal basis in the securities or related derivatives that are the subject of this communication. RBC Capital Markets, LLC has or may have proprietary positions in the securities or in related derivatives that are the subject of this communication. RBC Capital Markets, LLC may have been manager or co-manager of a public offering of securities of the issuer within the past twelve months. Additional information is available upon request.

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

Period Ending March 31, 2025

| Period Ending March 31, 2025 | 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 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 3 Yr | 5 Yr | 7 Yr | 10 Yr | |
| In percentages, based on U.S. dollars | | | | | | | | | | | | | | | | | | | | |
| Balanced | | | | | | | | | | | | | | | | | | | | |
| 20% MSCI World (Net) 80% Bloomberg Barclays U.S Aggregate1 | -0.86 | 1.88 | 1.88 | 5.36 | 2.01 | 2.86 | 3.42 | 3.18 | 4.57 | 9.04 | -13.87 | 2.85 | 9.68 | 12.45 | -1.63 | 6.15 | 15.14 | 26.57 | 36.78 | |
| 40% MSCI World (Net) 60% Bloomberg Barclays U.S Aggregate1 | -1.76 | 0.97 | 0.97 | 5.82 | 3.46 | 6.14 | 5.21 | 4.85 | 7.97 | 12.61 | -14.82 | 7.37 | 11.62 | 16.21 | -3.33 | 10.75 | 34.73 | 42.69 | 60.53 | |
| 50% MSCI World (Net) 50% Bloomberg Barclays U.S Aggregate1 | -2.21 | 0.52 | 0.52 | 6.04 | 4.17 | 7.80 | 6.08 | 5.66 | 9.70 | 14.43 | -15.33 | 9.69 | 12.49 | 18.11 | -4.19 | 13.05 | 45.54 | 51.15 | 73.41 | |
| 60% MSCI World (Net) 40% Bloomberg Barclays U.S Aggregate1 | -2.66 | 0.06 | 0.06 | 6.25 | 4.88 | 9.45 | 6.93 | 6.46 | 11.45 | 16.27 | -15.85 | 12.04 | 13.31 | 20.01 | -5.07 | 15.35 | 57.08 | 59.85 | 86.96 | |
| 80% MSCI World (Net) 20% Bloomberg Barclays U.S Aggregate1 | -3.55 | -0.86 | -0.86 | 6.66 | 6.25 | 12.78 | 8.58 | 8.01 | 15.02 | 19.99 | -16.96 | 16.86 | 14.74 | 23.83 | -6.87 | 19.95 | 82.46 | 77.95 | 116.06 | |
| Domestic fixed income | | | | | | | | | | | | | | | | | | | | |
| Bloomberg Barclays US Universal | -0.02 | 2.66 | 2.66 | 5.24 | 1.01 | 0.32 | 1.87 | 1.83 | 2.04 | 6.17 | -12.99 | -1.10 | 7.58 | 9.29 | -0.25 | 3.07 | 1.63 | 13.83 | 19.84 | |
| Bloomberg Barclays US Aggregate | 0.04 | 2.78 | 2.78 | 4.88 | 0.52 | -0.40 | 1.58 | 1.46 | 1.25 | 5.53 | -13.01 | -1.54 | 7.51 | 8.72 | 0.01 | 1.56 | -1.97 | 11.58 | 15.64 | |
| Bloomberg Barclays US Intermediate Aggregate | 0.30 | 2.61 | 2.61 | 5.58 | 1.64 | 0.36 | 1.83 | 1.58 | 2.47 | 5.18 | -9.51 | -1.29 | 5.60 | 6.67 | 0.92 | 5.00 | 1.79 | 13.50 | 17.00 | |
| Bloomberg Barclays US Aggregate Government - Treasury | 0.23 | 2.92 | 2.92 | 4.51 | -0.05 | -1.67 | 1.17 | 0.95 | 0.58 | 4.05 | -12.46 | -2.32 | 8.00 | 6.86 | 0.86 | -0.15 | -8.07 | 8.48 | 9.95 | |
| Bloomberg Barclays US Aggregate Government | 0.23 | 2.91 | 2.91 | 4.53 | 0.01 | -1.60 | 1.20 | 0.98 | 0.62 | 4.09 | -12.32 | -2.28 | 7.94 | 6.83 | 0.88 | 0.04 | -7.76 | 8.69 | 10.25 | |
| Bloomberg Barclays US Government/Credit | 0.05 | 2.70 | 2.70 | 4.66 | 0.45 | -0.34 | 1.73 | 1.58 | 1.18 | 5.72 | -13.58 | -1.75 | 8.93 | 9.71 | -0.42 | 1.36 | -1.71 | 12.79 | 16.98 | |
| Bloomberg Barclays US Intermediate Government/Credit | 0.44 | 2.42 | 2.42 | 5.65 | 2.18 | 0.86 | 2.18 | 1.81 | 3.00 | 5.24 | -8.23 | -1.44 | 6.43 | 6.80 | 0.88 | 6.69 | 4.37 | 16.29 | 19.61 | |
| Bloomberg Barclays US Aggregate Credit - Corporate - High Yield | -1.02 | 1.00 | 1.00 | 7.69 | 4.98 | 7.29 | 4.94 | 5.01 | 8.19 | 13.44 | -11.19 | 5.28 | 7.11 | 14.32 | -2.08 | 15.70 | 42.19 | 40.18 | 63.07 | |
| Bloomberg Barclays US Aggregate Credit | -0.24 | 2.36 | 2.36 | 4.87 | 1.13 | 1.35 | 2.38 | 2.31 | 2.03 | 8.18 | -15.26 | -1.08 | 9.35 | 13.80 | -2.11 | 3.42 | 6.93 | 17.88 | 25.68 | |
| Bloomberg Barclays US Aggregate Credit - Corp. - Investment Grade | -0.29 | 2.31 | 2.31 | 4.90 | 1.14 | 1.51 | 2.48 | 2.43 | 2.13 | 8.52 | -15.76 | -1.04 | 9.89 | 14.54 | -2.51 | 3.46 | 7.78 | 18.73 | 27.12 | |
| Bloomberg Barclays Municipal Bond | -1.69 | -0.22 | -0.22 | 1.22 | 1.53 | 1.07 | 2.07 | 2.13 | 1.05 | 6.40 | -8.53 | 1.52 | 5.21 | 7.54 | 1.28 | 4.65 | 5.48 | 15.44 | 23.41 | |
| Bloomberg Barclays Municipal Bond 3 Year | -0.12 | 1.01 | 1.01 | 3.36 | 2.23 | 1.34 | 1.66 | 1.42 | 2.04 | 3.46 | -3.39 | 0.40 | 2.97 | 3.67 | 1.76 | 6.83 | 6.91 | 12.25 | 15.10 | |
| Bloomberg Barclays Municipal Bond 7 Year | -1.06 | 0.75 | 0.75 | 1.75 | 1.97 | 1.27 | 2.12 | 1.97 | 0.51 | 4.99 | -5.97 | 0.36 | 5.11 | 6.74 | 1.66 | 6.02 | 6.52 | 15.82 | 21.53 | |
| Bloomberg Barclays Municipal Bond 10 year | -1.72 | 0.26 | 0.26 | 0.48 | 1.74 | 1.12 | 2.26 | 2.22 | -0.33 | 5.78 | -6.57 | 0.96 | 5.62 | 7.70 | 1.41 | 5.32 | 5.74 | 16.91 | 24.59 | |
| Bloomberg Barclays Municipal Bond 20 Year (17-22 Y) | -2.60 | -1.29 | -1.29 | 0.37 | 1.12 | 0.98 | 2.29 | 2.52 | 1.36 | 7.78 | -11.02 | 2.53 | 6.19 | 9.29 | 1.08 | 3.41 | 4.99 | 17.19 | 28.26 | |
| BofA Merrill Lynch US Treasury Bill (3 M) | 0.33 | 1.02 | 1.02 | 4.97 | 4.23 | 2.56 | 2.45 | 1.87 | 5.25 | 5.01 | 1.46 | 0.05 | 0.67 | 2.28 | 1.87 | 13.24 | 13.45 | 18.47 | 20.36 | |
| Citigroup US Inflation-Linked Securities | 0.62 | 4.17 | 4.17 | 6.35 | -0.11 | 2.43 | 3.14 | 2.58 | 1.92 | 4.13 | -12.10 | 5.86 | 11.59 | 8.74 | -1.49 | -0.32 | 12.76 | 24.15 | 28.97 | |
| BofA ML U.S. Convertible - All Convertibles/All Qualities | -2.74 | -2.14 | -2.14 | 6.27 | 1.80 | 12.43 | 9.34 | 8.51 | 11.14 | 12.87 | -18.71 | 6.34 | 46.22 | 23.15 | 0.15 | 5.49 | 79.63 | 86.89 | 126.29 | |
| BofA ML Fixed Rate Preferred Securities | -1.62 | 0.08 | 0.08 | 2.51 | 2.63 | 3.87 | 3.29 | 3.87 | 7.05 | 10.21 | -14.60 | 2.24 | 6.95 | 17.71 | -4.34 | 8.10 | 20.92 | 25.39 | 46.16 | |
| S&P/LSTA U.S. Leveraged Loan 100 | -0.39 | 0.45 | 0.45 | 7.06 | 7.14 | 7.72 | 5.11 | 4.63 | 8.70 | 13.20 | -0.68 | 3.54 | 2.84 | 10.65 | -0.62 | 22.98 | 45.03 | 41.74 | 57.21 | |
| Global and International fixed income | | | | | | | | | | | | | | | | | | | | |
| Bloomberg Barclays Global Aggregate | 0.62 | 2.64 | 2.64 | 3.05 | -1.63 | -1.38 | -0.46 | 0.61 | -1.69 | 5.72 | -16.25 | -4.71 | 9.20 | 6.84 | -1.20 | -4.80 | -6.73 | -3.19 | 6.23 | |
| Bloomberg Barclays Global Aggregate x US | 1.11 | 2.53 | 2.53 | 1.46 | -3.47 | -2.35 | -2.18 | -0.18 | -4.22 | 5.72 | -18.70 | -7.05 | 10.11 | 5.09 | -2.15 | -10.06 | -11.23 | -14.27 | -1.81 | |
| Bloomberg Barclays Global High Yield | -0.32 | 1.85 | 1.85 | 8.89 | 5.49 | 7.08 | 3.78 | 4.66 | 9.19 | 14.04 | -12.71 | 0.99 | 7.03 | 12.56 | -4.06 | 17.38 | 40.80 | 29.69 | 57.62 | |
| BofA Merrill Lynch Global Broad Market x US | 1.37 | 3.10 | 3.10 | 0.53 | -4.62 | -3.65 | -3.14 | -0.82 | -6.35 | 5.72 | -21.12 | -8.94 | 10.33 | 4.86 | -2.20 | -13.24 | -16.98 | -20.01 | -7.93 | |
| Citigroup WGBI | 0.68 | 2.57 | 2.57 | 2.10 | -2.89 | -2.97 | -1.51 | -0.05 | -2.87 | 5.18 | -18.26 | -6.97 | 10.11 | 5.90 | -0.84 | -8.43 | -13.98 | -10.11 | -0.48 | |
| Citigroup Non-USD WGBI | 1.02 | 2.33 | 2.33 | 0.32 | -4.89 | -4.01 | -3.28 | -0.86 | -5.32 | 5.83 | -22.07 | -9.68 | 10.78 | 5.32 | -1.82 | -13.96 | -18.51 | -20.83 | -8.29 | |
| Alternatives | | | | | | | | | | | | | | | | | | | | |
| CPI for all Urban Consumers (CPI-U) ³ **one month lag | 0.22 | 0.68 | 0.68 | 2.97 | 3.97 | 4.22 | 3.61 | 3.11 | 2.87 | 3.32 | 6.41 | 7.16 | 1.32 | 2.32 | 2.00 | 12.39 | 23.40 | 28.15 | 35.88 | |
| Bloomberg Commodity Index | 3.93 | 8.88 | 8.88 | 12.28 | -0.77 | 14.51 | 5.45 | 2.77 | 5.38 | -7.91 | 16.09 | 27.11 | -3.12 | 7.69 | -11.25 | -2.30 | 96.92 | 44.95 | 31.46 | |
| S&P GSCI | 2.90 | 4.89 | 4.89 | 3.83 | 1.25 | 20.74 | 5.64 | 2.60 | 9.25 | -4.27 | 25.99 | 40.35 | -23.72 | 17.63 | -13.82 | 3.81 | 156.61 | 46.78 | 29.24 | |
| FTSE NAREIT Equity REITs | -3.61 | 0.91 | 0.91 | 9.94 | -0.61 | 11.34 | 7.21 | 5.33 | 8.73 | 13.73 | -24.37 | 43.24 | -8.00 | 26.00 | -4.62 | -1.83 | 71.10 | 62.82 | 68.15 | |
| FTSE NAREIT All REITs | -2.40 | 2.87 | 2.87 | 8.71 | -1.85 | 9.61 | 6.49 | 5.46 | 4.33 | 11.48 | -25.10 | 39.88 | -5.86 | 28.07 | -4.10 | -5.43 | 58.23 | 55.27 | 70.12 | |
| HFRX Global Hedge Fund | -0.75 | 0.53 | 0.53 | 3.23 | 1.87 | 4.39 | 2.42 | 1.84 | 5.27 | 3.10 | -4.41 | 3.65 | 6.81 | 8.62 | -6.72 | 5.73 | 23.97 | 18.20 | 20.01 | |
| HFRX Equity Hedge | -1.33 | 0.22 | 0.22 | 4.51 | 3.90 | 8.64 | 3.82 | 3.30 | 7.83 | 6.90 | -3.18 | 12.14 | 4.60 | 10.71 | -9.42 | 12.17 | 51.35 | 30.03 | 38.40 | |
| HFRX Event Driven | -0.12 | 1.00 | 1.00 | 3.45 | -0.17 | 2.48 | 1.24 | 1.19 | 3.74 | 0.48 | -7.27 | 0.48 | 8.89 | 9.96 | -11.68 | -0.50 | 13.05 | 8.98 | 12.58 | |
| HFRX Absolute Return | 0.03 | 1.13 | 1.13 | 4.13 | 3.22 | 4.16 | 2.58 | 2.32 | 4.86 | 2.95 | 0.85 | 2.10 | 2.72 | 4.37 | -0.49 | 9.97 | 22.58 | 19.56 | 25.81 | |
| HFRX Macro/CTA | -1.33 | -0.84 | -0.84 | -2.80 | 1.40 | 1.94 | 1.71 | 0.40 | 3.76 | -1.49 | 3.75 | -0.83 | 4.29 | 4.84 | -3.25 | 4.24 | 10.07 | 12.62 | 4.09 | |

Development Authority of the North Country
Board Summary
March 31, 2025

- 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.
- Revenue increased \$12.0 million due to an increase in grant revenue as well as customer billings. Expenses increased \$2.9 million mainly due to increases in salaries and fringe benefits expenses, general and administration expenses and depreciation and amortization. The increase in salaries and fringe benefits expense was due to seven additional positions being added as well as a GASB Statement No. 68 adjustment of \$438,868.
- Net position increased \$7.3 million to \$164.3 million as of March 31, 2025.

| | 2025 | 2024 | Change |
|----------------------------------|----------------------|--------------------|--------------------|
| Net investment in capital assets | \$ 60,824,230 | 54,557,987 | 6,266,243 |
| Restricted | 85,166,410 | 81,746,378 | 3,420,032 |
| Unrestricted | <u>18,263,720</u> | <u>20,672,345</u> | <u>(2,408,625)</u> |
| Total net position | <u>\$164,254,360</u> | <u>156,976,710</u> | <u>7,277,650</u> |

**DEVELOPMENT AUTHORITY
OF THE NORTH COUNTRY**

**Basic Financial Statements,
Supplementary Information and
Independent Auditor's Report
March 31, 2025 and 2024**

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report | 1 - 3 |
| Management's Discussion and Analysis | 4 - 14 |
| Basic Financial Statements: | |
| Statements of Net Position | 15 |
| Statements of Revenue, Expenses and Changes in Net Position | 16 |
| Statements of Cash Flows | 17 - 18 |
| Notes to Financial Statements | 19 - 48 |
| Required Supplementary Information: | |
| Schedule of Changes in Total OPEB Liability and Related Ratios | 49 |
| Schedule of the Authority's Proportionate Share of the Net Pension Asset/Liability | 50 |
| Schedule of the Authority's Pension Contributions | 51 |
| Other Supplementary Information: | |
| Schedule of Revenue, Expenses and Changes in Net Position by Department | 52 |
| Schedule of North Country Economic Development Fund Activity | 53 |
| Schedule of Expenditures of Federal Awards | 54 |
| Notes to Schedule of Expenditures of Federal Awards | 55 |
| 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 <u>Government Auditing Standards</u> | 56 - 57 |
| Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance | 58 - 60 |
| Schedule of Findings and Questioned Costs | 61 |
| Status of Prior Year Audit Findings | 62 |

* * * * *

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, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of March 31, 2025 and 2024, 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 audit, 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 49 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by 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 , 2025, 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
, 2025

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Management's Discussion and Analysis

March 31, 2025 and 2024

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

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

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

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

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

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

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. In 2025, 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, 2025 and 2024 with comparative information for the year ended March 31, 2023. 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, 2025 and 2024, the assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows by \$164,254,360 and \$156,976,710, respectively. Of these amounts, \$2,032,649 and \$2,941,260, respectively, is unrestricted and undesignated and may be used to meet the Authority's ongoing obligations.
- The Authority's total revenue (operating and nonoperating) was \$46,491,433 and \$31,991,667 in 2025 and 2024, respectively.
- The Authority's total expenses (operating and nonoperating) were \$39,213,783 and \$34,758,480 in 2025 and 2024, 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.

BUDGET VS. ACTUAL

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

FINANCIAL ANALYSIS

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

| | <u>2025</u> | <u>Change</u> | <u>2024</u> | <u>Change</u> | <u>2023</u> |
|-------------------------------------|---------------------|-------------------|--------------------|----------------|--------------------|
| Operating revenue | \$ 39,446,702 | 11,973,718 | 27,472,984 | (968,840) | 28,441,824 |
| Operating expenses | (35,507,493) | (2,894,700) | (32,612,793) | (1,408,441) | (31,204,352) |
| Operating income (loss) | 3,939,209 | 9,079,018 | (5,139,809) | (2,377,281) | (2,762,528) |
| Nonoperating revenue (expense), net | 3,338,441 | 965,445 | 2,372,996 | 2,650,630 | (277,634) |
| Change in net position | <u>\$ 7,277,650</u> | <u>10,044,463</u> | <u>(2,766,813)</u> | <u>273,349</u> | <u>(3,040,162)</u> |

In 2025, operating revenue increased \$11,973,718 or 43.6%. 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 an Environmental Facilities Corporation grant and National Telecommunications and Information Administration (NTIA) grant.

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

In 2025, operating expenses increased \$2,894,700 or 8.9%. 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 or 9.2%. The increase was due to seven additional positions being added, as well as a GASB Statement No. 68 adjustment of \$438,868.

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

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

The increase in 2025 and 2024 in net nonoperating revenue, net of \$965,445 and \$2,650,630, respectively, is primarily due to an increase in investment income.

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

| | <u>2025</u> | <u>Change</u> | <u>2024</u> | <u>Change</u> | <u>2023</u> |
|--|-----------------------|-------------------|--------------------|--------------------|--------------------|
| Assets: | | | | | |
| Current assets | \$ 13,507,793 | 2,773,487 | 10,734,306 | (2,095,455) | 12,829,761 |
| Loans receivable, net of allowance for doubtful accounts | 35,230,858 | 2,484,735 | 32,746,123 | 1,746,676 | 30,999,447 |
| Investments | 12,571,342 | (2,478,184) | 15,049,526 | (849,075) | 15,898,601 |
| Funds held by trustee | 1,746,289 | 861,081 | 885,208 | 47,365 | 837,843 |
| OPEB reserve fund | 5,980,351 | 125,537 | 5,854,814 | 102,903 | 5,751,911 |
| Restricted assets | 88,844,892 | 2,385,248 | 86,459,644 | 2,141,909 | 84,317,735 |
| Net pension asset | - | - | - | (1,725,909) | 1,725,909 |
| Capital assets, net | 95,179,000 | 5,998,655 | 89,180,345 | 12,022,725 | 77,157,620 |
| Total assets | <u>253,060,525</u> | <u>12,150,559</u> | <u>240,909,966</u> | <u>11,391,139</u> | <u>229,518,827</u> |
| Deferred outflows of resources | 5,659,198 | 1,966,750 | 3,692,448 | (375,533) | 4,067,981 |
| Liabilities: | | | | | |
| Current liabilities | 14,509,955 | (5,151,625) | 19,661,580 | 14,214,568 | 5,447,012 |
| Noncurrent liabilities | 75,703,946 | 10,044,727 | 65,659,219 | 5,297,204 | 60,362,015 |
| Total liabilities | <u>90,213,901</u> | <u>4,893,102</u> | <u>85,320,799</u> | <u>19,511,772</u> | <u>65,809,027</u> |
| Deferred inflows of resources | 4,251,462 | 1,946,557 | 2,304,905 | (5,729,353) | 8,034,258 |
| Net position: | | | | | |
| Net investment in capital assets | 60,824,230 | 6,266,243 | 54,557,987 | (3,139,880) | 57,697,867 |
| Restricted | 85,166,410 | 3,420,032 | 81,746,378 | 1,678,559 | 80,067,819 |
| Unrestricted | 18,263,720 | (2,408,625) | 20,672,345 | (1,305,492) | 21,977,837 |
| Total net position | <u>\$ 164,254,360</u> | <u>7,277,650</u> | <u>156,976,710</u> | <u>(2,766,813)</u> | <u>159,743,523</u> |

Summary of 2025 Changes

Current assets increased \$2,773,487 mainly due to accounts receivable increasing, which is associated with the NTIA grant draws.

Loans receivable, net increased \$2,484,735 due to additional loans that were closed on in 2025.

Investments decreased \$2,478,184 as funds were spent on capital projects.

Restricted assets increased \$2,385,248 mainly due to the increase in tip fees being set aside for future projects, as well as a better rate of return on investments.

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

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.

Current liabilities decreased \$5,151,625 primarily as a result of turning the Army Water Line short-term note into a long-term bond through the New York State Environmental Facilities Corporation.

Noncurrent liabilities increased \$10,044,727 mainly from the issuance of a new bond associated with the Army Water Line.

Summary of 2024 Changes

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

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

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

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

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

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

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

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

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

At March 31, 2025 and 2024, the Board of Directors designated the Authority's unrestricted net position for the following uses:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|-------------------|
| Administrative reserve/supplemental insurance | \$ 4,000,000 | 4,000,000 |
| Infrastructure development | 223,107 | 223,107 |
| Capital reserves | 239,120 | 691,331 |
| Materials management - tip fee stabilization and landfill gas reserves | 3,263,230 | 4,463,685 |
| Economic development fund | 5,505,614 | 5,352,962 |
| Affordable housing | <u>3,000,000</u> | <u>3,000,000</u> |
| | \$ <u>16,231,071</u> | <u>17,731,085</u> |

REVENUE

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

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

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

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

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

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

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

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

| | <u>2025</u> | <u>Change</u> | <u>2024</u> | <u>Change</u> | <u>2023</u> |
|----------------------------------|----------------------|-------------------|-------------------|------------------|-------------------|
| Customer billings: | | | | | |
| Materials management facility | \$ 11,112,841 | 1,009,167 | 10,103,674 | (771,346) | 10,875,020 |
| Water quality operations | 8,702,534 | 1,744,505 | 6,958,029 | (443,342) | 7,401,371 |
| Telecommunications | 6,467,869 | (101,549) | 6,569,418 | 309,255 | 6,260,163 |
| Housing and economic development | 248,536 | 28,539 | 219,997 | (57,250) | 277,247 |
| Engineering | 665,630 | 118,364 | 547,266 | 29,700 | 517,566 |
| Total customer billings | 27,197,410 | 2,799,026 | 24,398,384 | (932,983) | 25,331,367 |
| Grant revenue | 9,851,491 | 7,997,175 | 1,854,316 | 172,978 | 1,681,338 |
| Loan interest income | 504,725 | 46,065 | 458,660 | 12,859 | 445,801 |
| Landfill gas to energy revenue | 591,560 | 171,264 | 420,296 | (152,255) | 572,551 |
| Carbon credits | 866,068 | 866,068 | - | - | - |
| Miscellaneous | 435,448 | 94,120 | 341,328 | (69,439) | 410,767 |
| Total operating revenue | <u>\$ 39,446,702</u> | <u>11,973,718</u> | <u>27,472,984</u> | <u>(968,840)</u> | <u>28,441,824</u> |

Summary of 2025 Changes

Materials Management Facility revenue increased \$1,009,167 due to an increase in the number of tons received.

Water Quality operations revenue increased \$1,744,505 mainly due to increased rates associated with financing the Army Water Line and Army Sewer Line capital projects.

Grant revenue increased \$7,997,175 due to the receipt of a \$5 million New York State Water Infrastructure Improvement Act (WIIA) grant from the Environmental Facilities Corporation and the NTIA grant draws.

The Authority has qualified for a Green House Gas (GHG) reduction project which yields carbon credits from the collection of methane at the landfill. 2021 and 2022 carbon credits were sold in 2025 yielding revenue in the amount of \$866,068.

Summary of 2024 Changes

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

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

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

SUMMARY OF OPERATING EXPENSES

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

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

| | <u>2025</u> | <u>Change</u> | <u>2024</u> | <u>Change</u> | <u>2023</u> |
|----------------------------------|----------------------|------------------|-------------------|------------------|-------------------|
| Functional expenses: | | | | | |
| Administration | \$ 427,241 | 50,817 | 376,424 | 144,099 | 232,325 |
| Materials management facility | 14,860,566 | 951,208 | 13,909,358 | 291,476 | 13,617,882 |
| Water quality operations | 9,048,048 | 1,250,300 | 7,797,748 | 887,365 | 6,910,383 |
| Telecommunications | 9,424,273 | 345,951 | 9,078,322 | 442,086 | 8,636,236 |
| Housing and economic development | 1,078,700 | 158,320 | 920,380 | (382,356) | 1,302,736 |
| Engineering | 668,665 | 138,104 | 530,561 | 25,771 | 504,790 |
| Total functional expenses | <u>\$ 35,507,493</u> | <u>2,894,700</u> | <u>32,612,793</u> | <u>1,408,441</u> | <u>31,204,352</u> |

Summary of 2025 Changes

Water Quality operations expenses increased \$1,250,300 as a result of an increase in depreciation and amortization expense of \$323,362, mainly related to the Army Water Line capitalization, and salary and fringe benefits of \$371,086, mainly related to four additional employees. Also, sewer treatment and water purchases increased \$149,331 and \$189,494, respectively.

Materials Management Facility expenses increased \$951,208 as a result of an increase in depreciation and amortization expense of \$395,496 and closure and post-closure costs of \$521,790.

Summary of 2024 Changes

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

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

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

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

| | <u>2025</u> | <u>Change</u> | <u>2024</u> | <u>Change</u> | <u>2023</u> |
|--------------------------------|----------------------|------------------|-------------------|------------------|-------------------|
| Operating expenses: | | | | | |
| Salaries and fringe benefits | \$ 11,774,082 | 989,530 | 10,784,552 | 1,810,256 | 8,974,296 |
| Operating and maintenance | 3,311,245 | (507,757) | 3,819,002 | 97,616 | 3,721,386 |
| Wastewater treatment | 1,864,235 | 84,786 | 1,779,449 | 111,240 | 1,668,209 |
| Water purchases | 928,362 | 189,493 | 738,869 | (134,780) | 873,649 |
| Community benefits | 1,168,682 | 127,819 | 1,040,863 | (128,996) | 1,169,859 |
| Closure and post-closure costs | 1,788,558 | 521,790 | 1,266,768 | (10,204) | 1,276,972 |
| General and administration | 3,470,074 | 734,652 | 2,735,422 | (395,960) | 3,131,382 |
| Depreciation and amortization | 11,202,255 | 754,387 | 10,447,868 | 59,269 | 10,388,599 |
| Total operating expenses | <u>\$ 35,507,493</u> | <u>2,894,700</u> | <u>32,612,793</u> | <u>1,408,441</u> | <u>31,204,352</u> |

Summary of 2025 Changes

Salaries and fringe benefits increased \$989,530 mainly due to seven additional positions being added, as well as a GASB Statement No. 68 adjustment of \$438,868. General and administration expenses increased \$781,667, associated with the allowance for bad debt (increase in accounts receivable) by \$169,543, professional fees (carbon credit expense) by \$148,490 and automobile expense (for additional trucks) by \$112,827. Depreciation and amortization increased mainly due to the Army Water Line phase 1 replacement project.

Summary of 2024 Changes

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

NONOPERATING REVENUE (EXPENSE)

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

| | <u>2025</u> | <u>Change</u> | <u>2024</u> | <u>Change</u> | <u>2023</u> |
|----------------------------------|---------------------|----------------|------------------|------------------|------------------|
| Nonoperating revenue (expenses): | | | | | |
| Pass-through grant revenue | \$ 2,291,673 | 1,102,097 | 1,189,576 | 376,919 | 812,657 |
| Pass-through grant expense | (2,291,673) | (1,102,097) | (1,189,576) | (376,919) | (812,657) |
| Investment income | 4,116,710 | 1,134,253 | 2,982,457 | 2,683,458 | 298,999 |
| Gain on sale of capital assets | 636,348 | 289,698 | 346,650 | 280,528 | 66,122 |
| Debt issuance costs | (111,970) | (18,690) | (93,280) | (73,280) | (20,000) |
| Interest expense | (1,302,647) | (439,816) | (862,831) | (240,076) | (622,755) |
| Total | <u>\$ 3,338,441</u> | <u>965,445</u> | <u>2,372,996</u> | <u>2,650,630</u> | <u>(277,634)</u> |

Investment income increased in 2025 over 2024 by \$1,134,253 as a result of an increase in interest rates.

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

POSTEMPLOYMENT BENEFITS

The Authority contributes to the cost of eligible retirees' individual health care premiums after 15 years of service, provided that the employee was employed at the Authority at the time of retirement. Employees hired after April 1, 2008 require 20 years of service. In 2025 and 2024, the Authority has recorded a liability for other postemployment benefits in the amount of \$6,729,158 and \$4,728,237, respectively. In 2025 and 2024, the Authority has a board designated investment account in the amount of \$5,980,351 and \$5,854,814, respectively, for other postemployment benefits. The change in the liability from 2024 to 2025 was offset by the change in the deferred inflows of resources and deferred outflows of resources.

CAPITAL ASSETS

At the end of 2025 and 2024, the Authority had \$95,179,000 and \$89,180,345 (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 2025 increase over 2024 of \$5,998,655 is mainly associated with the Army Sewer and Army Water Line projects as well as the NTIA project. The detail of capital asset activity and balances for the various categories is included in the notes to the financial statements.

LONG-TERM DEBT ADMINISTRATION

As of March 31, 2025 and 2024, the Authority has the following revenue bond series outstanding:

| <u>Bond Series</u> | Bonds outstanding as of March <u>31, 2025</u> | Bonds outstanding as of March <u>31, 2024</u> | Principal due <u>2026</u> |
|--------------------|--|--|---------------------------------|
| Series 2015 | \$ 6,155,000 | 6,445,000 | 300,000 |
| Series 2019 | 9,410,000 | 9,695,000 | 300,000 |
| Series 2025 | <u>7,386,411</u> | <u>-</u> | <u>541,374</u> |
| Total | \$ <u>22,951,411</u> | <u>16,140,000</u> | <u>1,141,374</u> |

In addition to the bonds, the Authority had loans payable as of March 31, 2025 and 2024 as follows:

| <u>Loans Payable</u> | Loans outstanding as of March <u>2025</u> | Loans outstanding as of March <u>2024</u> | Principal due <u>2026</u> |
|----------------------|--|--|---------------------------------|
| Loans payable | \$ <u>10,020,188</u> | <u>17,076,310</u> | <u>7,519,138</u> |

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

CREDIT RATINGS

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

REQUEST FOR INFORMATION

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

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Statements of Net Position
March 31, 2025 and 2024

| | <u>Assets</u> | <u>2025</u> | <u>2024</u> |
|--|---------------------------------------|-----------------------|--------------------|
| Current assets: | | | |
| Cash and equivalents | | \$ 4,266,533 | 6,067,643 |
| Accounts receivable, net | | 7,428,007 | 3,208,621 |
| Accrued unbilled revenue | | 773,297 | 612,707 |
| Interest receivable | | 112,668 | 85,986 |
| Inventory | | 14,430 | 18,462 |
| Prepaid expenses | | 912,858 | 740,887 |
| Total current assets | | <u>13,507,793</u> | <u>10,734,306</u> |
| Noncurrent assets: | | | |
| Loans receivable, net | | 35,230,858 | 32,746,123 |
| Investments | | 12,571,342 | 15,049,526 |
| Funds held by trustee | | 1,746,289 | 885,208 |
| Other postemployment benefits reserve fund | | 5,980,351 | 5,854,814 |
| Restricted assets | | 88,844,892 | 86,459,644 |
| Capital assets, nondepreciable | | 10,748,271 | 7,992,523 |
| Capital assets, net of accumulated depreciation/amortization | | 84,430,729 | 81,187,822 |
| Total noncurrent assets | | <u>239,552,732</u> | <u>230,175,660</u> |
| Total assets | | <u>253,060,525</u> | <u>240,909,966</u> |
| | <u>Deferred Outflows of Resources</u> | | |
| Pension | | 3,316,970 | 3,494,419 |
| OPEB | | 2,342,228 | 198,029 |
| Total deferred outflows of resources | | <u>5,659,198</u> | <u>3,692,448</u> |
| | <u>Liabilities</u> | | |
| Current liabilities: | | | |
| Accounts payable | | 4,006,903 | 2,889,093 |
| Accrued expenses | | 941,902 | 764,351 |
| Interest payable | | 138,368 | 264,775 |
| Unearned revenue | | 531,059 | 542,240 |
| Bonds payable, including premiums | | 1,196,651 | 630,277 |
| Loans payable | | 7,519,138 | 14,451,447 |
| Leases payable | | 155,700 | 108,242 |
| Subscriptions payable | | 20,234 | 11,155 |
| Total current liabilities | | <u>14,509,955</u> | <u>19,661,580</u> |
| Noncurrent liabilities: | | | |
| Economic development revolving loan fund | | 11,415,450 | 11,087,083 |
| Unearned revenue, excluding current portion | | 8,491,337 | 7,381,106 |
| Bonds payable, including premiums, excluding current portion | | 22,841,235 | 16,651,475 |
| Loans payable, excluding current portion | | 2,501,050 | 2,624,863 |
| Leases payable, excluding current portion | | 43,199 | 144,899 |
| Subscriptions payable, excluding current portion | | 77,563 | - |
| Due to U.S. Army | | 749,985 | 749,985 |
| Landfill liability | | 19,691,609 | 17,926,451 |
| Total OPEB liability | | 6,729,158 | 4,728,237 |
| Net pension liability - ERS - proportionate share | | 3,163,360 | 4,365,120 |
| Total noncurrent liabilities | | <u>75,703,946</u> | <u>65,659,219</u> |
| Total liabilities | | <u>90,213,901</u> | <u>85,320,799</u> |
| | <u>Deferred Inflows of Resources</u> | | |
| Pension | | 1,732,729 | 269,550 |
| OPEB | | 2,518,733 | 2,035,355 |
| Total deferred inflows of resources | | <u>4,251,462</u> | <u>2,304,905</u> |
| | <u>Net Position</u> | | |
| Net investment in capital assets | | 60,824,230 | 54,557,987 |
| Restricted | | 85,166,410 | 81,746,378 |
| Unrestricted | | 18,263,720 | 20,672,345 |
| Total net position | | <u>\$ 164,254,360</u> | <u>156,976,710</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, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|--------------------------------------|-----------------------|--------------------|
| Operating revenue: | | |
| Customer billings | \$ 27,197,410 | 24,398,384 |
| Grant revenue | 9,851,491 | 1,854,316 |
| Loan interest income | 504,725 | 458,660 |
| Landfill gas to energy revenue | 591,560 | 420,296 |
| Bad debt recovery | - | 49,707 |
| Carbon credits | 866,068 | - |
| Other revenue | 435,448 | 291,621 |
| Total operating revenue | <u>39,446,702</u> | <u>27,472,984</u> |
| Operating expenses: | | |
| Salaries and wages | 7,860,162 | 7,213,315 |
| Payroll taxes and fringe benefits | 3,913,920 | 3,571,237 |
| Operation and maintenance | 3,311,245 | 3,819,002 |
| Wastewater treatment | 1,864,235 | 1,779,449 |
| Water purchases | 928,362 | 738,869 |
| Community benefits | 1,168,682 | 1,040,863 |
| Closure and post-closure costs | 1,788,558 | 1,266,768 |
| Office and administrative | 470,426 | 400,277 |
| Insurance | 684,726 | 599,899 |
| Automobile | 531,821 | 418,995 |
| Utilities | 227,547 | 179,230 |
| Materials and supplies | 312,662 | 318,454 |
| Professional fees | 353,072 | 204,582 |
| Computer | 372,301 | 310,815 |
| NYS administrative assessment | 122,000 | 122,000 |
| Repairs and maintenance | 204,095 | 159,289 |
| Depreciation and amortization | 11,202,255 | 10,447,868 |
| Bad debt | 191,424 | 21,881 |
| Total operating expenses | <u>35,507,493</u> | <u>32,612,793</u> |
| Operating income (loss) | <u>3,939,209</u> | <u>(5,139,809)</u> |
| Nonoperating revenue (expense): | | |
| Pass-through grant revenue | 2,291,673 | 1,189,576 |
| Pass-through grant expense | (2,291,673) | (1,189,576) |
| Investment income | 4,116,710 | 2,982,457 |
| Gain on sale of capital assets | 636,348 | 346,650 |
| Debt issuance costs | (111,970) | (93,280) |
| Interest expense | (1,302,647) | (862,831) |
| Total nonoperating revenue (expense) | <u>3,338,441</u> | <u>2,372,996</u> |
| Change in net position | 7,277,650 | (2,766,813) |
| Net position at beginning of year | <u>156,976,710</u> | <u>159,743,523</u> |
| Net position at end of year | <u>\$ 164,254,360</u> | <u>156,976,710</u> |

See accompanying notes to financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Statements of Cash Flows
Years ended March 31, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|--------------------|
| Cash flows from operating activities: | | |
| Receipts from customers | \$ 23,829,550 | 24,132,761 |
| Receipts from grants | 9,851,491 | 1,854,316 |
| Cash payments to suppliers | (9,816,127) | (9,963,466) |
| Cash payments to employees | (10,817,563) | (9,713,205) |
| Net cash provided by operating activities | <u>13,047,351</u> | <u>6,310,406</u> |
| Cash flows from capital and related financing activities: | | |
| Purchase of capital assets | (17,269,372) | (22,515,717) |
| Proceeds from sale of capital assets | 704,810 | 391,774 |
| Issuance of bonds payable | 7,386,411 | - |
| Repayments of bonds payable | (575,000) | (560,000) |
| Amortization of bonds payable | (55,277) | (55,277) |
| Issuance of loans payable | 3,713,461 | 14,330,338 |
| Repayments of loans payable | (10,769,583) | (118,226) |
| Issuance of leases payable | 54,000 | 303,068 |
| Repayments of leases payable | (108,242) | (116,193) |
| Issuance of subscriptions payable | 101,168 | - |
| Repayments of subscriptions payable | (14,526) | (35,105) |
| Debt issuance costs | (111,970) | (93,280) |
| Interest paid | (1,429,054) | (713,690) |
| Net cash used in capital and related financing activities | <u>(18,373,174)</u> | <u>(9,182,308)</u> |
| Cash flows from investing activities: | | |
| Interest revenue | 4,090,028 | 3,085,540 |
| Net proceeds (purchases) of investments | 2,478,184 | 849,075 |
| Deposits into other postemployment benefits reserve fund | (125,537) | (102,903) |
| Net proceeds (purchases) of restricted assets | (2,385,248) | (2,141,909) |
| Change in funds held by trustee | (532,714) | 239,230 |
| Net cash provided by investing activities | <u>3,524,713</u> | <u>1,929,033</u> |
| Net change in cash and equivalents | (1,801,110) | (942,869) |
| Cash and equivalents at beginning of year | <u>6,067,643</u> | <u>7,010,512</u> |
| Cash and equivalents at end of year | <u>\$ 4,266,533</u> | <u>6,067,643</u> |

(Continued)

See accompanying notes to financial statements.

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

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|--------------------|
| Cash flows from operating activities: | | |
| Operating income (loss) | \$ 3,939,209 | (5,139,809) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation expense | 11,075,420 | 10,300,085 |
| Amortization expense | 126,835 | 147,783 |
| Bad debt expense | 191,424 | 21,881 |
| Bad debt recovery | - | (49,707) |
| Changes in: | | |
| Accounts receivable | (4,410,810) | 1,202,038 |
| Accrued unbilled revenue | (160,590) | (6,945) |
| Inventory | 4,032 | (2,182) |
| Prepaid expenses | (171,971) | (115,582) |
| Loans receivable | (2,484,735) | (1,746,676) |
| Deferred outflows of resources | (1,966,750) | 375,533 |
| Accounts payable | 1,117,810 | 309,703 |
| Accrued expenses | 177,551 | 68,616 |
| Unearned revenue | 1,099,050 | (906,498) |
| Landfill liability | 1,765,158 | 1,224,968 |
| Total OPEB liability | 2,000,921 | 265,522 |
| Net pension liability - proportionate share - ERS | (1,201,760) | 6,091,029 |
| Deferred inflows of resources | <u>1,946,557</u> | <u>(5,729,353)</u> |
| Net cash provided by operating activities | <u>\$ 13,047,351</u> | <u>6,310,406</u> |

See accompanying notes to financial statements.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements

March 31, 2025 and 2024

(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 \$406,339 and \$377,364 was considered necessary at March 31, 2025 and 2024, 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.

The Authority entered into a lease on April 1, 2025. This agreement matures on April 1, 2035 and has a total principal due of \$235,872.

(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. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

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

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

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, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|-------------------|
| Community rental housing program | \$ 13,403,693 | 13,369,120 |
| Community development loan fund | 10,345,059 | 10,175,163 |
| Affordable housing program | 23,291,136 | 22,661,333 |
| Army water and sewer line reserves | 1,800,000 | 1,800,000 |
| Regional waterline operating and debt service reserves | 403,329 | 377,190 |
| Wetlands mitigation | 332,909 | 325,943 |
| Reserve for liner expansion and replacement | 22,707,317 | 20,344,738 |
| Reserve for open access telecommunication networks | 4,864,905 | 4,506,053 |
| Closure/post-closure prefunding reserve | <u>8,018,062</u> | <u>8,186,838</u> |
| Total restricted net position | <u>\$ 85,166,410</u> | <u>81,746,378</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, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|-------------------|
| Board designated net position: | | |
| Administrative reserve/supplemental insurance | \$ 4,000,000 | 4,000,000 |
| Infrastructure development | 223,107 | 223,107 |
| Capital reserves | 239,120 | 691,331 |
| Materials management - tip fee stabilization and landfill gas reserves | 3,263,230 | 4,463,685 |
| Economic development fund | 5,505,614 | 5,352,962 |
| Affordable housing | <u>3,000,000</u> | <u>3,000,000</u> |
| Total Board designated net position | 16,231,071 | 17,731,085 |
| Undesignated net position | <u>2,032,649</u> | <u>2,941,260</u> |
| Total unrestricted net position | <u>\$ 18,263,720</u> | <u>20,672,345</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, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|-----------------|---------------------|------------------|
| Demand deposits | \$ 3,217,498 | 4,887,694 |
| Time deposits | <u>1,049,035</u> | <u>1,179,949</u> |
| | \$ <u>4,266,533</u> | <u>6,067,643</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, 2025 and 2024. Total non-restricted investments by type are as follows at March 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|-------------------|
| Certificates of deposit | \$ 3,804,972 | 6,348,750 |
| United States Treasury obligations/government agencies | 6,415,769 | 4,636,891 |
| Money market | 2,273,983 | 4,012,539 |
| Accrued interest receivable | <u>76,618</u> | <u>51,346</u> |
| | \$ <u>12,571,342</u> | <u>15,049,526</u> |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(3) Cash and Equivalents, Continued

Custodial Credit Risk - Deposits

At March 31, 2025 and 2024, the Authority had the following deposits that were exposed to custodial credit risk:

| | <u>2025</u> | |
|---|-------------------------|-------------------------|
| | <u>Book Balance</u> | <u>Bank Balance</u> |
| 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>14,613,102</u> |
| | | <u>\$ 15,113,257</u> |
| | <u>2024</u> | |
| | <u>Book Balance</u> | <u>Bank Balance</u> |
| Cash and equivalents | \$ 6,067,643 | 6,270,659 |
| Other deposits included in restricted assets and investments | <u>11,062,311</u> | <u>11,062,311</u> |
| | <u>\$ 17,129,954</u> | <u>17,332,970</u> |
| Covered by FDIC insurance | | \$ 500,155 |
| Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name | | <u>16,832,815</u> |
| | | <u>\$ 17,332,970</u> |

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, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|-------------------|
| Landfill closure and post-closure care | \$ 26,748,751 | 25,134,084 |
| Telecommunications network | 8,517,528 | 9,158,676 |
| Replacement and liner at materials management facility | 22,494,241 | 20,207,728 |
| Affordable housing program | 14,755,557 | 16,400,250 |
| North Country economic development | 8,432,024 | 7,814,842 |
| Community rental housing program | 1,778,266 | 1,601,977 |
| Community development loan fund | 2,504,800 | 2,491,108 |
| Army water and sewer line | 2,861,124 | 2,803,191 |
| Regional waterline operating and debt service reserves | 419,693 | 521,845 |
| Wetlands mitigation | <u>332,908</u> | <u>325,943</u> |
| | <u>\$ 88,844,892</u> | <u>86,459,644</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, 2025 and 2024.

Restricted assets consisted of the following at March 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|-------------------|
| Certificates of deposit | \$ 26,154,106 | 37,052,941 |
| United States Treasury obligations/government agencies | 34,806,045 | 32,538,094 |
| Money market | 27,553,430 | 16,589,329 |
| Accrued interest receivable | <u>331,311</u> | <u>279,280</u> |
| | <u>\$ 88,844,892</u> | <u>86,459,644</u> |

Other postemployment benefits reserve fund consisted of the following at March 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|------------------|
| Certificates of deposit | \$ 4,580,259 | 4,828,259 |
| United States Treasury obligations/government agencies | 1,263,435 | 1,010,253 |
| Money market | 121,661 | 6,036 |
| Accrued interest receivable | <u>14,996</u> | <u>10,266</u> |
| | <u>\$ 5,980,351</u> | <u>5,854,814</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, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--------------------------------------|---------------------|------------------|
| Materials management facility | \$ 1,378,202 | 970,417 |
| Water quality | 1,031,338 | 352,312 |
| Telecommunications network | 4,999,723 | 1,750,744 |
| Engineering | 127,162 | 91,702 |
| Other | <u>141,568</u> | <u>130,983</u> |
| | 7,677,993 | 3,296,158 |
| Less allowance for doubtful accounts | <u>(249,986)</u> | <u>(87,537)</u> |
| Total accounts receivable, net | \$ <u>7,428,007</u> | <u>3,208,621</u> |

(6) Loans Receivable

Loans receivable are summarized as follows at March 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|-------------------|
| Affordable Housing Program | \$ 12,328,139 | 10,040,181 |
| Community Rental Housing Program | 11,746,552 | 11,879,806 |
| Community Development Loan Fund | 7,962,913 | 7,872,201 |
| North Country Economic Loan Fund | 2,966,863 | 3,259,876 |
| Development Authority Economic Development Loan Fund | <u>632,730</u> | <u>71,423</u> |
| | 35,637,197 | 33,123,487 |
| Less allowance for loan loss | <u>(406,339)</u> | <u>(377,364)</u> |
| Loans receivable, net | \$ <u>35,230,858</u> | <u>32,746,123</u> |

Activity in the allowance for loan losses is as follows for the years ended March 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|----------------|
| Balance at beginning of year | \$ 377,364 | 357,780 |
| Additional allowance for doubtful accounts | <u>28,975</u> | <u>19,584</u> |
| Balance at end of year | \$ <u>406,339</u> | <u>377,364</u> |

There were no impaired loans at March 31, 2025 and 2024.

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, 2025 and 2024 was as follows:

| | 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 | 7,992,523 | 17,114,203 | (14,358,455) | - | 10,748,271 |
| Depreciable 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 assets | 251,096,543 | 155,169 | 14,358,455 | (4,944,290) | 260,665,877 |
| 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 | (169,908,721) | (11,202,255) | - | 4,875,828 | (176,235,148) |
| Total capital assets being depreciated and amortized, net | 81,187,822 | (11,047,086) | 14,358,455 | (68,462) | 84,430,729 |
| Capital assets, net | \$ 89,180,345 | 6,067,117 | - | (68,462) | 95,179,000 |

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

(7) Capital Assets, Continued

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

(8) Right-to-Use Assets

(a) Leases

The Authority leases three buildings. At March 31, 2025 and 2024, the Authority has a net right-to-use asset for buildings of \$198,646 and \$256,954, respectively, as well as leases payable of \$198,899 and \$253,141, respectively. The right-to-use asset is being amortized on the straight-line method throughout the life of the leases. The following is the amortization schedule of the leases payable:

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|--------------|
| 2026 | \$ 155,700 | 6,720 | 162,420 |
| 2027 | 43,199 | 1,976 | 45,175 |
| | \$ 198,899 | 8,696 | 207,595 |

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, 2025 and 2024, the Authority has a net right-to-use asset for subscriptions as well as subscriptions payable for subscriptions of \$97,797 and \$11,155, 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> |
|--------------------|------------------|
| 2026 | \$ 20,234 |
| 2027 | 20,234 |
| 2028 | 20,234 |
| 2029 | 20,234 |
| 2030 | <u>16,861</u> |
| | \$ <u>97,797</u> |

(9) Long-Term Liabilities

Long-term liability activity for the years ended March 31, 2025 and 2024 was as follows:

| | <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 | <u>\$ 62,392,151</u> | <u>15,021,120</u> | <u>12,724,389</u> | <u>64,688,882</u> | <u>8,891,723</u> |

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

(9) Long-Term Liabilities, Continued

| | Balance at April 1, 2024 | Increases | Decreases | Balance at March 31, 2025 | Due within one year |
|---|-----------------------------|------------------|-------------------|------------------------------|------------------------|
| Loans payable: | | | | | |
| Unsecured loan payable to the State of New York in annual payments of \$50,000 through March 2040. This loan does not bear interest. | \$ 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 |
| 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 2026, 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> |

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

(9) Long-Term Liabilities, Continued

| | Balance at April 1, 2024 | Increases | Decreases | Balance at March 31, 2025 | Due within one year |
|---|-----------------------------|------------------|----------------|------------------------------|------------------------|
| 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> |

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

| | Balance at April 1, 2023 | Increases | Decreases | Balance at March 31, 2024 | Due within one year |
|--|-----------------------------|-----------|-----------|------------------------------|------------------------|
| Loans payable: | | | | | |
| Unsecured loan payable to the State of New York in annual payments of \$50,000 through March 2040. This loan does not bear interest. | \$ 814,000 | - | 50,000 | 764,000 | 50,000 |
| Loan payable to the U.S. Department of Agriculture Rural Development in annual payments of \$91,104, including interest at 4.50% through April 2036. The Authority's regional waterline assets secure this loan. | 881,330 | - | 51,444 | 829,886 | 53,759 |

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

(9) Long-Term Liabilities, Continued

| | <u>Balance at April 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance at March 31, 2024</u> | <u>Due within one year</u> |
|---|-------------------------------------|-------------------|------------------|--------------------------------------|--------------------------------|
| 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. | 568,868 | - | 16,782 | 552,086 | 17,350 |
| Unsecured note payable to Community Bank. The loan is short-term and due during fiscal year 2026, including interest at 6.62%. A long-term debt will be secured. | - | 3,681,864 | - | 3,681,864 | 3,681,864 |
| Unsecured note payable to the New York State Environmental Facilities Corporation. The loan is short-term and due during fiscal year 2025, including interest at 3.2%. A long-term debt will be secured. | - | 10,648,474 | - | 10,648,474 | 10,648,474 |
| Total loans payable | <u>\$ 2,864,198</u> | <u>14,330,338</u> | <u>118,226</u> | <u>17,076,310</u> | <u>14,451,447</u> |
| | <u>Balance at April 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance at March 31, 2024</u> | <u>Due within one year</u> |
| 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%. | \$ 6,730,000 | - | 285,000 | 6,445,000 | 290,000 |
| Series 2019 bonds maturing in annual amounts ranging from \$240,000 to \$650,000 through 2044 bearing interest ranging from 3.25% to 5.00%. | 9,970,000 | - | 275,000 | 9,695,000 | 285,000 |
| Total bonds payable | <u>\$ 16,700,000</u> | <u>-</u> | <u>560,000</u> | <u>16,140,000</u> | <u>575,000</u> |

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

(9) Long-Term Liabilities, Continued

Future minimum payments for the Authority's loans payable are as follows as of March 31, 2025:

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|-----------------|-------------------|
| 2026 | \$ 7,519,138 | 45,621 | 7,564,759 |
| 2027 | 126,625 | 42,740 | 169,365 |
| 2028 | 129,552 | 39,740 | 169,292 |
| 2029 | 132,882 | 36,615 | 169,497 |
| 2030 | 136,051 | 33,354 | 169,405 |
| 2031 - 2035 | 733,969 | 112,880 | 846,849 |
| 2036 - 2040 | 411,296 | 33,715 | 445,011 |
| 2041 - 2045 | 123,160 | 18,238 | 141,398 |
| 2046 - 2049 | <u>707,515</u> | <u>5,421</u> | <u>712,936</u> |
| | \$ <u>10,020,188</u> | <u>368,324</u> | <u>10,388,512</u> |

There is one loan with a balance of \$7,381,594 included in the 2025 loan payments above. This loan is expected to become 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, 2025 and 2024 was \$417,142 and \$315,123, respectively.

Future minimum payments for the Authority's bonds payable are as follows as of March 31, 2025:

| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|------------------|-------------------|
| 2026 | \$ 1,141,374 | 909,524 | 2,050,898 |
| 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 - 2035 | 8,121,972 | 2,365,993 | 10,487,965 |
| 2036 - 2040 | 4,780,000 | 1,019,256 | 5,799,256 |
| 2041 | <u>3,540,000</u> | <u>263,500</u> | <u>3,803,500</u> |
| | \$ <u>22,951,411</u> | <u>7,619,831</u> | <u>30,571,242</u> |

Interest paid on bonds payable during the years ended March 31, 2025 and 2024 was \$873,808 and \$544,835, respectively.

The Authority also has a line of credit payable 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 2025 and 2024. 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 \$26,748,751 and \$25,134,084 at March 31, 2025 and 2024, respectively, and which is reported under restricted assets, which represents the cumulative amount reported to date based on the use of 50% and 49%, as of March 31, 2025 and 2024, respectively, of the estimated capacity of both landfills. The Authority will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity of both landfills are filled. Costs are estimated based on what it would cost to perform all closure and post-closure care through 2072. The Authority expects to close the currently permitted landfill in 2026 but has 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 2025 and 2024, tipping fees of \$1,554,512 and \$1,283,893, 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 two cells has been completed. The remaining seven cells will be built over the next 37 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 2025 and 2024, tipping fees of \$2,220,731 and \$1,711,858, 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 \$332,909 and \$325,943 at March 31, 2025 and 2024, 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 \$2,159,940 and \$1,412,455 in 2025 and 2024, 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

Employees' Retirement System, Continued

the form of life insurance. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% 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 Pension

At March 31, 2025 and 2024, the Authority reported the following for its proportionate share of the System. The net pension System was measured as of March 31, 2024 and 2023, 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>2024</u> | <u>2023</u> |
|--|--------------|-------------|
| Measurement date | 3/31/2024 | 3/31/2023 |
| Net pension liability | \$ 3,163,360 | 4,365,120 |
| Authority's proportion of the System's net pension liability | 0.0214843% | 0.0203559% |
| Changes in proportionate share from prior year | 0.0011284 | (0.0007572) |

For the years ended March 31, 2025 and 2024, the Authority recognized pension expense of \$1,388,947 and \$1,545,783, 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 Pension, Continued

At March 31, 2025 and 2024, the Authority's reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

| | 2025 | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| 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 | 956,467 | - |
| Total | \$ <u>3,316,970</u> | <u>1,732,729</u> |
| | 2024 | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 464,919 | 122,589 |
| Changes of assumptions | 2,119,984 | 23,430 |
| Net difference between projected and actual investment earnings on pension plan investments | - | 25,645 |
| Changes in proportion and differences between the Authority's contributions and proportionate share of contributions | 105,236 | 97,886 |
| Authority's contributions subsequent to the measurement date | 804,280 | - |
| Total | \$ <u>3,494,419</u> | <u>269,550</u> |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

Notes to Financial Statements, Continued

(11) Pension Plan, Continued

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to 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, 2026. 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> | |
|--------------------|-------------------|
| 2026 | \$ (575,943) |
| 2027 | 616,762 |
| 2028 | 914,758 |
| 2029 | (327,803) |
| | \$ <u>627,774</u> |

(c) Actuarial Assumptions

The total pension liability at March 31, 2025 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, 2023. Economic assumptions used in the April 1, 2023 actuarial valuation include:

| | |
|--|----------------|
| Actuarial valuation date | April 1, 2023 |
| Measurement date | March 31, 2024 |
| Inflation | 2.9% |
| Salary increases | 4.4% |
| 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, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. 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 | 32% | 4.00% |
| International equity | 15% | 6.65% |
| Private equity | 10% | 7.25% |
| Real estate | 9% | 4.60% |
| Opportunistic/ARS portfolio | 3 % | 5.25% |
| Credit | 4% | 5.40% |
| Real assets | 3% | 5.79% |
| Fixed income | 23% | 1.50% |
| Cash | 1% | 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:

| | 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> |
| | 2024 | | |
| | 1% Decrease 4.9% | Current Assumption 5.9% | 1% Increase 6.9% |
| Employer's proportionate share of the net pension asset (liability) | \$ <u>(10,458,622)</u> | <u>(4,365,120)</u> | <u>801,916</u> |

(f) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of all participating employers as of March 31, 2024, were as follows:

| | (Dollars in Millions) | |
|--|-----------------------|-----------------|
| | 2025 | 2024 |
| Employers' total pension liability | \$ (240,697) | (232,627) |
| Fiduciary net position | <u>225,973</u> | <u>211,183</u> |
| Employers' net pension liability | \$ <u>(14,724)</u> | <u>(21,444)</u> |
| Ratio of fiduciary net position to the Employers' total pension liability | 93.88% | 90.78% |

(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, 2025 and 2024 represent the projected employer contribution for the period of April 1, 2024 through March 31, 2025 and through April 1, 2023 through March 31, 2024, 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, 2025 and 2024 were \$949,638 and \$798,538, 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 75, paragraph 4.

(b) Employees Covered By Benefit Terms

At March 31, 2025 and 2024, the following employees were covered by the benefit terms:

| | <u>2025</u> | <u>2024</u> |
|------------------|-------------|-------------|
| Inactive members | 20 | 18 |
| Active members | <u>96</u> | <u>63</u> |
| | <u>116</u> | <u>81</u> |

(c) Total OPEB Liability

The Authority's total OPEB liability of \$6,729,158 and \$4,728,237 was measured as of December 31, 2024 and March 31, 2024, respectively, and was determined by an actuarial valuation as of February 11, 2025 and March 31, 2023, respectively.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the February 11, 2025 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 | 4.16% |
| Healthcare cost trend rates | 5.30% declining to an ultimate rate of 3.71% |
| 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>2025</u> | <u>2024</u> |
|--|---------------------|------------------|
| Total OPEB liability at beginning of year | \$ <u>4,728,237</u> | <u>4,462,715</u> |
| Changes for the year: | | |
| Service cost | 108,768 | 279,878 |
| Interest | 223,681 | 184,189 |
| Differences between expected and actual experience | (505,284) | (52,703) |
| Changes in assumptions or other inputs | 2,301,677 | (50,843) |
| Benefit payments | <u>(127,921)</u> | <u>(94,999)</u> |
| Total changes | <u>2,000,921</u> | <u>265,522</u> |
| Total OPEB liability at end of year | \$ <u>6,729,158</u> | <u>4,728,237</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>2025</u> | | | |
|----------------------|---------------------|------------------|------------------|
| | <u>1%</u> | <u>Discount</u> | <u>1%</u> |
| | <u>Decrease</u> | <u>Rate</u> | <u>Increase</u> |
| Total OPEB liability | \$ <u>7,900,808</u> | <u>6,729,158</u> | <u>5,798,572</u> |

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

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

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

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

For the years ended March 31, 2025 and 2024, the Authority recognized OPEB expense of \$392,006 and \$256,493, respectively. At March 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | | 2025 | |
|--|----|--------------------------------------|-------------------------------------|
| | | Deferred Outflows of Resources | Deferred Inflows of Resources |
| 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> |

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

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

(12) Other Postemployment Benefits, Continued

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

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

| <u>Year ending</u> | |
|--------------------|--------------|
| 2026 | \$ 59,557 |
| 2027 | 59,557 |
| 2028 | 59,557 |
| 2029 | 59,557 |
| 2030 | 59,557 |
| Thereafter | (505,919) |
| | \$ (208,134) |

(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 \$961,156 and \$857,054 in 2025 and 2024, 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 \$591,560 and \$420,296 in 2025 and 2024, 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. 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, 2025

| | <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 | \$ 108,768 | 279,878 | 275,575 | 259,524 | 259,524 | 248,401 | 248,401 |
| Interest | 223,681 | 184,189 | 184,189 | 187,290 | 187,290 | 169,281 | 169,281 |
| Differences between expected and actual experience | (505,284) | (52,703) | 92,006 | - | (862,191) | - | (99,163) |
| Changes in assumptions or other inputs | 2,301,677 | (50,843) | (1,349,365) | - | - | - | 208,511 |
| Benefit payments | <u>(127,921)</u> | <u>(94,999)</u> | <u>(62,577)</u> | <u>(74,049)</u> | <u>(67,705)</u> | <u>(59,298)</u> | <u>(53,275)</u> |
| Net change in total OPEB liability | 2,000,921 | 265,522 | (860,172) | 372,765 | (483,082) | 358,384 | 473,755 |
| Total OPEB liability - beginning | <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>\$ 6,729,158</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 | \$ 6,025,709 | 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 | 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>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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, 2025

| | NYSERS Pension Plan | | | | | | | | | |
|---|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <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> | <u>2016</u> |
| Authority's proportion of the net pension asset/liability | 0.0214843% | 0.0203559% | 0.0211131% | 0.0195636% | 0.0198206% | 0.0178475% | 0.0177834% | 0.0175474% | 0.0168838% | 0.0167435% |
| Authority's proportionate share of the net pension asset (liability) | \$ (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) | (565,635) |
| Authority's covered payroll | \$ 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 | 4,052,840 |
| Authority's proportionate share of the net pension asset/liability as a percentage of its covered payroll | 47.47% | 68.24% | 28.91% | 0.33% | 93.01% | 23.96% | 11.55% | 35.68% | 62.22% | 13.96% |
| Plan fiduciary net position as a percentage of the total pension asset/liability | 93.88% | 90.78% | 103.65% | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% | 90.70% | 97.90% |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Required Supplementary Information
Schedule of the Authority's Pension Contributions
Year ended March 31, 2025

| | NYSERS Pension Plan | | | | | | | | | |
|---|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <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> | <u>2016</u> |
| Contractually required contributions | \$ 949,638 | 798,538 | 663,129 | 890,375 | 796,667 | 766,847 | 714,456 | 683,563 | 659,418 | 601,067 |
| Contributions in relation to the contractually required contributions | <u>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> | <u>601,067</u> |
| Contributions deficiency (excess) | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Authority's covered payroll | \$ 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 | 4,052,840 |
| Contributions as a percentage of covered payroll | 14.25% | 12.48% | 11.11% | 15.23% | 14.12% | 14.04% | 14.37% | 14.79% | 15.14% | 14.83% |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Other Supplementary Information
Schedule of Revenue, Expenses and Changes in Net Position by Department
Year ended March 31, 2025

| | General and Administration | Solid Waste Management Facility | Water Quality Operations | Telecommunication Network | Housing and Economic Development | Engineering | Total |
|---------------------------------------|----------------------------------|---------------------------------------|--------------------------------|------------------------------|--|-------------|-------------|
| Operating revenue: | | | | | | | |
| Customer billings | \$ - | 11,112,841 | 8,702,534 | 6,467,869 | 248,536 | 665,630 | 27,197,410 |
| Grant revenue | - | 240,265 | 5,000,000 | 4,425,118 | 186,108 | - | 9,851,491 |
| Loan interest income | - | - | - | - | 504,725 | - | 504,725 |
| Landfill gas to energy revenue | - | 591,560 | - | - | - | - | 591,560 |
| Carbon credits | - | 866,068 | - | - | - | - | 866,068 |
| Other revenue | 307,200 | 10,772 | 5,463 | 8,318 | 103,695 | - | 435,448 |
| Total operating revenue | 307,200 | 12,821,506 | 13,707,997 | 10,901,305 | 1,043,064 | 665,630 | 39,446,702 |
| Operating expenses: | | | | | | | |
| Salaries and wages | 1,405,310 | 1,771,381 | 2,348,063 | 1,649,976 | 341,324 | 344,108 | 7,860,162 |
| Payroll taxes and fringe benefits | 632,074 | 975,765 | 1,236,432 | 738,095 | 171,540 | 160,014 | 3,913,920 |
| Operation and maintenance | 4,361 | 1,100,020 | 143,958 | 1,925,872 | 53,200 | 83,834 | 3,311,245 |
| Wastewater treatment | - | 511,711 | 1,352,524 | - | - | - | 1,864,235 |
| Water purchases | - | - | 928,362 | - | - | - | 928,362 |
| Community benefits | - | 961,156 | - | - | 207,526 | - | 1,168,682 |
| Closure and post-closure costs | - | 1,788,558 | - | - | - | - | 1,788,558 |
| Office and administrative | 126,086 | 121,835 | 119,604 | 34,399 | 34,254 | 34,248 | 470,426 |
| Insurance | 20,589 | 275,675 | 178,816 | 194,701 | - | 14,945 | 684,726 |
| Automobile | 970 | 25,092 | 388,924 | 86,524 | 1,802 | 28,509 | 531,821 |
| Utilities | - | 87,805 | 134,112 | 5,630 | - | - | 227,547 |
| Materials and supplies | - | 312,662 | - | - | - | - | 312,662 |
| Professional fees | 109,872 | 171,320 | 1,340 | 27,327 | 43,213 | - | 353,072 |
| Computer | 238,162 | 18,276 | 33,352 | 12,884 | 21,238 | 48,389 | 372,301 |
| NYS administrative assessment | - | 52,792 | 36,578 | 29,203 | - | 3,427 | 122,000 |
| Repairs and maintenance | - | 7,593 | 196,502 | - | - | - | 204,095 |
| Depreciation and amortization | 447,912 | 5,592,500 | 1,258,129 | 3,901,065 | 2,649 | - | 11,202,255 |
| Bad debt | - | - | - | 162,449 | 28,975 | - | 191,424 |
| Water quality/engineering allocation | - | 49,387 | 32,428 | 20,131 | 112 | (102,058) | - |
| Administrative allocation | (2,558,095) | 1,037,038 | 658,924 | 636,017 | 172,867 | 53,249 | - |
| Total operating expenses | 427,241 | 14,860,566 | 9,048,048 | 9,424,273 | 1,078,700 | 668,665 | 35,507,493 |
| Operating income (loss) | (120,041) | (2,039,060) | 4,659,949 | 1,477,032 | (35,636) | (3,035) | 3,939,209 |
| Nonoperating revenue (expense): | | | | | | | |
| Pass-through grant revenue | 2,291,673 | - | - | - | - | - | 2,291,673 |
| Pass-through grant expense | (2,291,673) | - | - | - | - | - | (2,291,673) |
| Investment income | 368,598 | 2,159,940 | 130,601 | 463,374 | 994,197 | - | 4,116,710 |
| Gain (loss) on sale of capital assets | 151,100 | 526,210 | (11,298) | (29,664) | - | - | 636,348 |
| Debt issuance costs | - | - | (111,970) | - | - | - | (111,970) |
| Interest expense | (11,697) | (522,543) | (768,407) | - | - | - | (1,302,647) |
| Total nonoperating revenue (expense) | 508,001 | 2,163,607 | (761,074) | 433,710 | 994,197 | - | 3,338,441 |
| Change in net position | \$ 387,960 | 124,547 | 3,898,875 | 1,910,742 | 958,561 | (3,035) | 7,277,650 |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Other Supplementary Information
Schedule of North Country Economic Development Fund Activity
Year ended March 31, 2025

| | |
|---|-----------------------------|
| Liability at beginning of year | \$ 11,087,083 |
| Loan interest income | 120,060 |
| Investment interest income | 218,956 |
| Investment banking fees | (2,649) |
| Consulting fees | <u>(8,000)</u> |
| Change in liability | <u>328,367</u> |
| Liability at end of year | <u><u>\$ 11,415,450</u></u> |
| Assets restricted for North Country Economic Development: | |
| Investments | 8,432,024 |
| Loan interest receivable | 16,562 |
| Loans receivable | <u>2,966,864</u> |
| Total assets/liability | <u><u>\$ 11,415,450</u></u> |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Schedule of Expenditures of Federal Awards
Year ended March 31, 2025

| <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 - Million Mile (Broadband) Grant Program - Direct Recipient | 11.033 | N/A | \$ 4,478,851 | 4,478,851 |
| U.S. Department of Housing and Urban Development: | | | | |
| Passed through Jefferson County - Home Investment Partnerships Program | 14.239 | M19-DC360512 | 854,400 | 819,400 |
| Passed through Jefferson County - Home Investment Partnerships Program - American Rescue Plan Act - COVID-19 | 14.239 | M19-DC360512 | 642,893 | 591,351 |
| Total Home Investment Partnerships Program | | | 1,497,293 | 1,410,751 |
| Passed through St. Lawrence County - Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii | 14.228 | 1106HR309-21 | 282,015 | 234,777 |
| Passed through Town of Gouverneur - Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii | 14.228 | 464HR122-20 | 233,065 | 193,385 |
| Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | | | 515,080 | 428,162 |
| Total U.S. Department of Housing and Urban Development | | | 2,012,373 | 1,838,913 |
| Northern Border Regional Commission - direct recipient | 90.601 | NA | 235,200 | 9,339 |
| Total Expenditures of Federal Awards | | | \$ 6,726,424 | 6,327,103 |

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, 2025

(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, 2025, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated , 2025.

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
, 2025

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, 2025. 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, 2025.

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
, 2025

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Schedule of Findings and Questioned Costs
Year ended March 31, 2025

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? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| 2. Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported | |
| 3. Noncompliance material to financial statements noted? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |

Federal Awards:

Internal control over major programs:

- | | | | |
|--|------------------------------|---|--|
| 4. Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| 5. Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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)? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
|--|------------------------------|--|--|

7. The Authority's major program audited was:

Name of Federal Program

Assistance Listing
Number

Middle Mile (Broadband) Grant Program

11.033

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$750,000

9. Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Part II - FINANCIAL STATEMENTS FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Status of Prior Year Audit Findings
Year ended March 31, 2025

There were no audit findings in the prior year financial statements (March 31, 2024).

REPORT TO THE BOARD

, 2025

The Board of Directors
Development Authority of the North Country

Dear Board Members:

We have audited the financial statements of the Development Authority of the North Country (the Authority) for the year ended March 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used the Authority are described in note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

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

For the year ended March 31, 2025, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information which accompanies the financial statements, but is not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * *

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

Very truly yours,

EFPR GROUP, CPAs, PLLC

**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, 2025.

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, 2025.

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
, 2025

DEVELOPMENT AUTHORITY
OF THE NORTH COUNTRY

Regional Waterline Capital and
Operating Reserve Funding Analysis

Independent Accountants' Report
on Applying Agreed-Upon Procedures

March 31, 2025

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors
Development Authority of the North Country:

We have performed the procedures enumerated below on the Regional Waterline Capital and Operating Reserve Funding Analysis (the Analysis) of the Development Authority of the North Country (the Authority) for the year ended March 31, 2025. The Authority's management is responsible for the Analysis.

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

The procedures and findings are as follows:

- 1) We obtained the Analysis for the year ended March 31, 2025 as attached in Exhibit 1.

We noted no exceptions as a result of this procedure. See Exhibit 1.

- 2) We recalculated the revenue (billings) recognized in the Analysis in total. For the capital component, we compared fixed costs per customer to the fixed rates approved in the Board minutes and published by the Authority for the year. For the operating component, we multiplied the water flows for the year by the per gallon rate approved in the Board minutes published by the Authority.

We noted no exceptions as a result of this procedure.

- 3) For six customers on the Regional Waterline, we obtained the quarterly billings for the period April 2024 through March 2025. We then traced the water flows charged to the customer on the related billing document to the water flow logs. We also recalculated the mathematical accuracy of the billing.

We noted no exceptions as a result of this procedure.

- 4) We obtained the detail of expenses for the Regional Waterline. We then haphazardly selected a sample of 20 expenses charged to the Regional Waterline and obtained the related invoices to determine whether the expense was an expense of the Regional Waterline.

Our sample represented \$148,108 of expenses.

We noted no exceptions as a result of this procedure.

- 5) We inspected the principal payments made on the Regional Waterline debt for the year ended March 31, 2025 and agreed total principal payments to the Analysis.

We noted no exceptions as a result of this procedure.

- 6) We inspected the interest payments made on the Regional Waterline debt for the year ended March 31, 2025 and agreed total interest payments to the Analysis.

We noted no exceptions as a result of this procedure.

- 7) We reconciled Regional Waterline capital costs to the capital asset records of the Authority.

We noted no exceptions as a result of this procedure.

We were engaged by the Authority to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and we did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Analysis. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Williamsville, New York
, 2025

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
Regional Waterline Capital and Operating Reserve Funding
Year ended March 31, 2025

| | <u>Capital</u> | <u>Operating</u> | <u>Total</u> |
|--|-------------------|------------------|-----------------|
| Reserves held at March 31, 2024 | \$ 173,561 | 62,625 | 236,186 |
| Billings | 286,518 | 137,653 | 424,171 |
| Interest income and miscellaneous income | 20,871 | - | 20,871 |
| Expenses | (177,185) | (108,554) | (285,739) |
| Interest expense | (48,387) | - | (48,387) |
| Principal payment | <u>(84,777)</u> | <u>-</u> | <u>(84,777)</u> |
| Change in reserves | (2,960) | 29,099 | 26,139 |
| Transfer to offset losses | 2,960 | (2,960) | - |
| Reserve funding per budget | <u>17,500</u> | <u>(17,500)</u> | <u>-</u> |
| Net change in reserve | <u>17,500</u> | <u>8,639</u> | <u>26,139</u> |
| Reserves held at March 31, 2025 | \$ <u>191,061</u> | <u>71,264</u> | <u>262,325</u> |



Board Resolution No. 2025-06-41

June 26, 2025

APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT, AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS FOR FISCAL YEAR ENDING MARCH 31, 2025

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, 2025, 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, 2025 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, 2025.



Board Resolution No. 2025-06-42
June 26, 2025

**APPROVING THE ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS
DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
FISCAL YEAR ENDING MARCH 31, 2025**

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 2025 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, 2025.

Assessment of the Effectiveness of Internal Controls
Fiscal Year Ending March 31, 2025

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, 2025.

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. 2025-06-43
June 26, 2025

**APPROVING ANNUAL BOND SALES REPORT
FISCAL YEAR ENDING MARCH 31, 2025**

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, 2025, 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, 2025, attached hereto and incorporated in this Resolution.

**Development Authority of the North Country
Annual Bond Sales Report
Fiscal Year Ended March 31, 2025**

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> |
|---|---------------------------|----------------------|---------------------------------|----------------------------------|--|------------------------------|------------------------|
| Series 2025A Fort Drum Water System Revenue Bond | 2/25/2025 | \$7,386,411 | 4.94% | 5.27% | NA | Private Placement | 9/1/2034 |

Outstanding Bonds as of March 31, 2025

| <u>Bond Issue</u> | <u>Balance @ 3/31/25</u> | <u>Maturity</u> |
|--------------------------------|---------------------------------|------------------------|
| Series 2019 SWMF Revenue Bonds | \$ 9,410,000 | 2044 |
| Series 2015 SWMF Revenue Bonds | \$ 6,155,000 | 2040 |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Wednesday, April 30, 2025

| | YTD ACTUAL | 3/31/2025 Total |
|--|-----------------------|------------------------|
| STATEMENT OF NET POSITION | | |
| ASSETS | | |
| Cash and Cash Equivalents | \$5,569,896.04 | \$4,266,377.61 |
| Accounts Receivable | 5,737,135.35 | 7,428,007.24 |
| Unbilled Revenue | 549,966.56 | 773,296.53 |
| Interest Receivable | 262,090.42 | 269,702.09 |
| Loans Receivable, net | 35,698,617.33 | 35,230,857.57 |
| Inventory | 14,430.36 | 14,430.36 |
| Prepaid Expense | 716,437.44 | 799,565.95 |
| Investments | 12,503,812.55 | 12,448,292.63 |
| Funds Held In Trust | 1,964,906.26 | 1,746,289.01 |
| OPEB Reserve Fund | 5,996,630.93 | 5,980,351.34 |
| Restricted Assets | 88,726,662.66 | 88,811,062.11 |
| Leased Property | 9,975.00 | 10,806.25 |
| Operating Lease ROU/SUB Assets, Net | 296,443.65 | 296,443.65 |
| Capital Assets, net | 94,104,590.77 | 94,882,555.60 |
| Total Assets | 252,151,595.32 | 252,958,037.94 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension | 3,316,970.00 | 3,316,970.00 |
| OPEB | 2,342,228.00 | 2,342,228.00 |
| Total Deferred Outflows of Resources | 5,659,198.00 | 5,659,198.00 |
| TOTAL ASSETS PLUS DEFERRED OUTFLOWS | 257,810,793.32 | 258,617,235.94 |
| LIABILITIES | | |
| Accounts Payable | 1,682,873.62 | 2,964,322.63 |
| Grants & Passthroughs Payable | 775,420.53 | 771,261.53 |
| Community Benefits Payable | 116,983.59 | 232,745.58 |
| Interest Payable | 216,891.04 | 139,883.68 |
| Accrued Expenses | 851,084.43 | 865,667.04 |
| OPEB Liability | 6,769,419.50 | 6,729,158.00 |
| Net Pension Liability | 3,163,360.00 | 3,163,360.00 |
| Unearned Income | 9,019,701.76 | 9,022,395.79 |
| Lease Obligation | 9,975.00 | 10,806.25 |
| Current Portion of Oper Lease/SUB Liability | 296,695.70 | 296,695.70 |
| Funds Held for Others | 11,415,449.78 | 11,415,449.78 |
| Due to US ARMY | 749,985.00 | 749,985.00 |
| Landfill Closure & Post Closure | 19,863,693.72 | 19,691,608.76 |
| Long-term Liabilities | 34,053,467.18 | 34,058,073.62 |
| Total Liabilities | 88,985,000.85 | 90,111,413.36 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension | 1,732,729.00 | 1,732,729.00 |
| OPEB | 2,518,733.00 | 2,518,733.00 |
| Total Deferred Inflows of Resources | 4,251,462.00 | 4,251,462.00 |
| TOTAL LIABILITIES PLUS DEFERRED INFLOWS | 93,236,462.85 | 94,362,875.36 |
| NET POSITION | | |
| Invested In Capital Assets, Net | 61,336,651.99 | 62,109,348.24 |
| Restricted for: | | |
| Community Rental Housing Program | 13,418,275.87 | 13,403,692.54 |
| Community Development Loan Fund | 10,357,239.19 | 10,345,059.30 |
| Affordable Housing Program | 23,353,858.81 | 23,291,136.34 |
| Army Water & Sewer | 1,800,000.00 | 1,800,000.00 |
| Regional Waterline | 403,329.34 | 403,329.34 |
| Reserve For Liner | 17,456,926.04 | 17,222,041.30 |
| Reserve for Replacement | 5,457,991.47 | 5,485,275.85 |
| Reserve For Wetland Mitigation | 334,011.26 | 332,908.89 |
| OATN Reserve | 4,900,970.61 | 4,864,904.38 |
| Landfill Closure & Post Closure Prefunding | 8,005,360.44 | 8,018,061.99 |
| Total Restricted | 85,487,963.03 | 85,166,409.93 |
| Board Designated for: | | |
| Infrastructure Development | 223,107.42 | 223,107.42 |
| Capital Reserve | 239,120.13 | 239,120.13 |
| Tip Fee Stabilization | 3,286,382.20 | 3,262,200.66 |
| Landfill Gas Reserve | 0.00 | 1,029.34 |
| Economic Development Fund | 5,523,433.12 | 5,505,614.09 |
| 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 | 16,272,042.87 | 16,231,071.64 |
| Undesignated | 1,477,672.58 | 747,530.77 |
| Total Net Postion | 164,574,330.47 | 164,254,360.58 |
| Total Liabilities, Deferred Outflows & Net Position | 257,810,793.32 | 258,617,235.94 |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Wednesday, April 30, 2025

| | YTD ACTUAL | 3/31/2025 Total |
|---|---------------------|------------------------|
| <u>CHANGE IN NET POSITION</u> | | |
| OPERATING REVENUE: | | |
| Customer Billings | 2,456,741.59 | 27,197,412.10 |
| Grant Revenue | 0.00 | 9,851,490.91 |
| Loan Interest Income | 43,278.19 | 504,724.57 |
| Other Income | 79,688.24 | 1,893,075.95 |
| Total Operating Revenue | 2,579,708.02 | 39,446,703.53 |
| OPERATING EXPENSES | | |
| Depreciation & Amortization | 876,376.96 | 11,202,253.10 |
| Salaries | 575,253.01 | 7,860,161.06 |
| Fringe Benefits | 296,993.91 | 3,913,921.04 |
| Operation & Maintenance | 245,131.63 | 3,153,027.49 |
| Waste Diversion | 2,005.00 | 188,173.34 |
| Wastewater Treatment | 176,278.25 | 1,864,234.82 |
| Closure & Post Closure Costs | 172,084.96 | 1,788,558.09 |
| Community Benefits | 70,861.25 | 1,168,682.23 |
| Water Purchases | 78,414.73 | 928,361.65 |
| Office & Administration | 53,166.21 | 445,013.03 |
| Insurance | 64,091.67 | 684,725.91 |
| Utilities | 8,356.36 | 227,547.24 |
| Bad Debt Expense | (92,077.58) | 191,423.82 |
| Materials & Supplies | 1,478.88 | 312,662.24 |
| Professional Fees | 323.00 | 353,071.87 |
| Repairs & Maintenance | 3,890.89 | 204,095.01 |
| Automobile | 39,787.06 | 531,822.22 |
| Computer Expenses | 61,011.71 | 372,301.45 |
| Grants | 0.00 | 7,155.00 |
| NYS Administrative Assessment | 0.00 | 122,000.00 |
| Total Operating Expenses | 2,633,427.90 | 35,519,190.61 |
| Total Operating Income | (53,719.88) | 3,927,512.92 |
| NON-OPERATING REVENUE (EXPENSE) | | |
| Interest Income | 486,812.48 | 4,116,709.79 |
| Gain on Sale of Fixed Assets | 0.00 | 156,098.07 |
| Gain on Trade-In of Fixed Assets | 0.00 | 480,250.41 |
| Interest Expense | (113,122.71) | (1,290,950.16) |
| Debt Issuance Costs | 0.00 | (111,969.50) |
| Total Non-Operating Expense, Net | 373,689.77 | 3,350,138.61 |
| CHANGE IN NET ASSETS | 319,969.89 | 7,277,651.53 |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Wednesday, April 30, 2025

| | ADMIN | MATERIALS MGMT | TELECOM | ARMY SEWER | ARMY WATER | REGIONAL WATER | WQ CONTRACTS | ENGINEERING | REGIONAL DEVELOPMENT | TOTAL |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|-------------------|-------------------------|-----------------------|
| STATEMENT OF NET POSITION | | | | | | | | | | |
| ASSETS | | | | | | | | | | |
| Cash and Cash Equivalents | \$5,569,896.04 | | | | | | | | | \$5,569,896.04 |
| Accounts Receivable | (35.78) | 1,322,366.21 | 2,913,312.06 | 565,082.00 | 332,525.04 | 106,877.32 | 210,477.55 | 132,613.48 | 153,917.47 | 5,737,135.35 |
| Unbilled Revenue | | | | 79,249.16 | 47,957.15 | 36,562.51 | 223,597.63 | 67,235.01 | 95,365.10 | 549,966.56 |
| Interest Receivable | 16,081.28 | 73,638.26 | 31,669.93 | | | | | | 140,700.95 | 262,090.42 |
| Loans Receivable, net | | | | | | | | | 35,698,617.33 | 35,698,617.33 |
| Inventory | | 14,430.36 | | | | | | | | 14,430.36 |
| Prepaid Expense | 672,945.66 | | 43,491.78 | | | | | | | 716,437.44 |
| Investments | 1,660,824.55 | 3,739,684.75 | 2,200,121.01 | | | | | | 4,903,182.24 | 12,503,812.55 |
| Funds Held In Trust | | 982,906.26 | | | 982,000.00 | | | | | 1,964,906.26 |
| OPEB Reserve Fund | 5,996,630.93 | | | | | | | | | 5,996,630.93 |
| Restricted Assets | | 49,768,882.40 | 8,553,594.03 | 1,860,669.92 | 1,014,910.86 | 421,512.85 | | | 27,107,092.60 | 88,726,662.66 |
| Leased Property | | | | | | | | | 9,975.00 | 9,975.00 |
| Operating Lease ROU/SUB Assets, Net | 242,743.65 | | 53,700.00 | | | | | | | 296,443.65 |
| Capital Assets, net | 1,300,052.56 | 39,480,248.84 | 25,712,695.26 | 10,742,070.10 | 14,340,717.50 | 2,500,334.70 | | | 28,471.81 | 94,104,590.77 |
| Total Assets | 15,459,138.89 | 95,382,157.08 | 39,508,584.07 | 13,247,071.18 | 16,718,110.55 | 3,065,287.38 | 434,075.18 | 199,848.49 | 68,137,322.50 | 252,151,595.32 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | |
| Pension | 3,316,970.00 | | | | | | | | | 3,316,970.00 |
| OPEB | 2,342,228.00 | | | | | | | | | 2,342,228.00 |
| Total Deferred Outflows of Resources | 5,659,198.00 | | | | | | | | | 5,659,198.00 |
| TOTAL ASSETS PLUS DEFERRED... | 21,118,336.89 | 95,382,157.08 | 39,508,584.07 | 13,247,071.18 | 16,718,110.55 | 3,065,287.38 | 434,075.18 | 199,848.49 | 68,137,322.50 | 257,810,793.32 |
| LIABILITIES | | | | | | | | | | |
| Accounts Payable | 7,924.92 | 220,770.87 | 109,705.04 | 374,114.03 | 927,297.88 | 43,060.88 | | | | 1,682,873.62 |
| Grants & Passthroughs Payable | 284.00 | | 899,976.53 | | | | | | (124,840.00) | 775,420.53 |
| Community Benefits Payable | | 116,983.59 | | | | | | | | 116,983.59 |
| Interest Payable | | 153,803.65 | 1,515.39 | | 61,572.00 | | | | | 216,891.04 |
| Accrued Expenses | 511,231.55 | 107,957.54 | 104,185.34 | 15,161.71 | 14,193.42 | 1,181.15 | 63,336.64 | 31,797.44 | 2,039.64 | 851,084.43 |
| OPEB Liability | 6,769,419.50 | | | | | | | | | 6,769,419.50 |
| Net Pension Liability | 3,163,360.00 | | | | | | | | | 3,163,360.00 |
| Unearned Income | | | 8,717,701.76 | | | | | | 302,000.00 | 9,019,701.76 |
| Lease Obligation | | | | | | | | | 9,975.00 | 9,975.00 |
| Current Portion of Oper Lease/SUB Lia... | 242,695.70 | | 54,000.00 | | | | | | | 296,695.70 |
| Funds Held for Others | | | | 749,985.00 | | | | | 11,415,449.78 | 11,415,449.78 |
| Due to US ARMY | | | | | | | | | | 749,985.00 |
| Landfill Closure & Post Closure | | 19,863,693.72 | | | | | | | | 19,863,693.72 |
| Long-term Liabilities | 714,000.00 | 16,646,868.20 | | 7,381,593.70 | 7,386,411.00 | 1,324,594.28 | | | 600,000.00 | 34,053,467.18 |
| Internal: Due To/Due From | (827,868.93) | 998,438.90 | 580,029.89 | (1,607,548.90) | (240,361.52) | (130,531.55) | 675,753.12 | 171,039.08 | 381,049.91 | |
| Total Liabilities | 10,581,046.74 | 38,108,516.47 | 10,467,113.95 | 6,913,305.54 | 8,149,112.78 | 1,238,304.76 | 739,089.76 | 202,836.52 | 12,585,674.33 | 88,985,000.85 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Pension | 1,732,729.00 | | | | | | | | | 1,732,729.00 |
| OPEB | 2,518,733.00 | | | | | | | | | 2,518,733.00 |
| Total Deferred Inflows of Resources | 4,251,462.00 | | | | | | | | | 4,251,462.00 |
| TOTAL LIABILITIES PLUS DEFERR... | 14,832,508.74 | 38,108,516.47 | 10,467,113.95 | 6,913,305.54 | 8,149,112.78 | 1,238,304.76 | 739,089.76 | 202,836.52 | 12,585,674.33 | 93,236,462.85 |
| NET POSITION | | | | | | | | | | |
| Invested In Capital Assets, Net | 1,300,052.56 | 22,833,380.85 | 25,712,695.26 | 3,360,476.40 | 6,954,306.50 | 1,175,740.42 | | | | 61,336,651.99 |
| Restricted for: | | | | | | | | | | |
| Community Rental Housing Program | | | | | | | | | 13,418,275.87 | 13,418,275.87 |
| Community Development Loan Fund | | | | | | | | | 10,357,239.19 | 10,357,239.19 |
| Affordable Housing Program | | | | | | | | | 23,353,858.81 | 23,353,858.81 |
| Army Water & Sewer | | | | 900,000.00 | 900,000.00 | | | | | 1,800,000.00 |
| Regional Waterline | | | | | | 403,329.34 | | | | 403,329.34 |
| Reserve For Liner | | 17,456,926.04 | | | | | | | | 17,456,926.04 |
| Reserve for Replacement | | 5,457,991.47 | | | | | | | | 5,457,991.47 |
| Reserve For Wetland Mitigation | | 334,011.26 | | | | | | | | 334,011.26 |
| OATN Reserve | | | 4,900,970.61 | | | | | | | 4,900,970.61 |
| Landfill Closure & Post Closure Prefund... | | 8,005,360.44 | | | | | | | | 8,005,360.44 |
| Total Restricted | | 31,254,289.21 | 4,900,970.61 | 900,000.00 | 900,000.00 | 403,329.34 | | | 47,129,373.87 | 85,487,963.03 |
| Board Designated for: | | | | | | | | | | |
| Infrastructure Development | | | | 223,107.42 | | | | | | 223,107.42 |
| Capital Reserve | | | | 239,120.13 | | | | | | 239,120.13 |
| Tip Fee Stabilization | | 3,286,382.20 | | | | | | | | 3,286,382.20 |
| Economic Development Fund | | | | | | | | | 5,523,433.12 | 5,523,433.12 |
| 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 | 3,286,382.20 | | 462,227.55 | | | | | 8,523,433.12 | 16,272,042.87 |
| Undesignated | 985,775.59 | (100,411.65) | (1,572,195.75) | 1,611,061.69 | 714,691.27 | 247,912.86 | (305,014.58) | (2,988.03) | (101,158.82) | 1,477,672.58 |
| Total Net Position | 6,285,828.15 | 57,273,640.61 | 29,041,470.12 | 6,333,765.64 | 8,568,997.77 | 1,826,982.62 | (305,014.58) | (2,988.03) | 55,551,648.17 | 164,574,330.47 |
| Total Liabilities, Deferred Outflows... | 21,118,336.89 | 95,382,157.08 | 39,508,584.07 | 13,247,071.18 | 16,718,110.55 | 3,065,287.38 | 434,075.18 | 199,848.49 | 68,137,322.50 | 257,810,793.32 |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the One Month Ending Wednesday, April 30, 2025

| | ADMIN | MATERIALS MGMT | TELECOM | ARMY SEWER | ARMY WATER | REGIONAL WATER | WQ CONTRACTS | ENGINEERING | REGIONAL DEVELOPMENT | TOTAL |
|---|------------------|---------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------------|---------------------|
| CHANGE IN NET POSITION | | | | | | | | | | |
| OPERATING REVENUE: | | | | | | | | | | |
| Customer Billings | | 916,862.26 | 507,913.67 | 419,629.38 | 281,734.45 | 36,562.51 | 223,873.63 | 54,541.47 | 15,624.22 | 2,456,741.59 |
| Loan Interest Income | | | | | | | | | 43,278.19 | 43,278.19 |
| Other Income | 33,041.66 | 43,868.08 | (109.05) | 300.83 | | | | | 2,586.72 | 79,688.24 |
| Total Operating Revenue | 33,041.66 | 960,730.34 | 507,804.62 | 419,930.21 | 281,734.45 | 36,562.51 | 223,873.63 | 54,541.47 | 61,489.13 | 2,579,708.02 |
| OPERATING EXPENSES | | | | | | | | | | |
| Depreciation & Amortization | 28,688.94 | 464,087.68 | 260,484.74 | 47,744.00 | 60,691.01 | 14,018.45 | | | 662.14 | 876,376.96 |
| Salaries | 98,617.08 | 133,898.79 | 107,637.95 | 27,719.65 | 24,160.60 | 3,435.92 | 121,230.49 | 23,470.04 | 35,082.49 | 575,253.01 |
| Fringe Benefits | 53,202.98 | 79,654.75 | 47,486.98 | 13,891.72 | 12,858.88 | 2,156.01 | 68,017.70 | 5,478.51 | 14,246.38 | 296,993.91 |
| Operation & Maintenance | 2,770.95 | 39,451.46 | 173,348.01 | | | | 8,483.23 | 20,652.98 | 425.00 | 245,131.63 |
| Waste Diversion | | 2,005.00 | | | | | | | | 2,005.00 |
| Wastewater Treatment | | 50,000.00 | | 126,278.25 | | | | | | 176,278.25 |
| Closure & Post Closure Costs | | 172,084.96 | | | | | | | | 172,084.96 |
| Community Benefits | | 70,861.25 | | | | | | | | 70,861.25 |
| Water Purchases | | | | | 70,071.92 | 8,342.81 | | | | 78,414.73 |
| Office & Administration | 33,162.28 | 13,167.58 | 1,234.48 | | 81.20 | | 1,781.66 | 206.23 | 3,532.78 | 53,166.21 |
| Insurance | 1,825.00 | 25,341.67 | 17,566.67 | 6,725.00 | 5,033.33 | 641.67 | 5,600.00 | 1,358.33 | | 64,091.67 |
| Utilities | | 6,530.41 | 26.97 | 32.31 | | 1,766.67 | | | | 8,356.36 |
| Bad Debt Expense | | | (96,653.93) | | | | | | 4,576.35 | (92,077.58) |
| Materials & Supplies | | 1,478.88 | | | | | | | | 1,478.88 |
| Professional Fees | 158.00 | | 165.00 | | | | | | | 323.00 |
| Repairs & Maintenance | | 2,878.63 | | 614.26 | 114.74 | 283.26 | | | | 3,890.89 |
| Automobile | 125.00 | 5,325.00 | 5,483.33 | | | | 27,628.73 | 1,225.00 | | 39,787.06 |
| Computer Expenses | 48,961.71 | | | | | | 7,327.00 | 4,723.00 | | 61,011.71 |
| Admin Allocation | (236,819.81) | 92,122.91 | 59,654.91 | 32,846.91 | 23,445.16 | 1,681.42 | 4,215.39 | 5,020.58 | 17,832.53 | |
| Engineering Allocation | | 2,097.42 | 1,095.16 | 451.06 | 374.73 | 142.74 | 534.43 | (4,695.54) | | |
| Water Quality Allocation | | | | 8,068.15 | 3,337.96 | 515.52 | (11,921.63) | | | |
| Total Operating Expenses | 30,692.13 | 1,160,986.39 | 577,530.27 | 264,371.31 | 200,169.53 | 32,984.47 | 232,897.00 | 57,439.13 | 76,357.67 | 2,633,427.90 |
| Total Operating Income | 2,349.53 | (200,256.05) | (69,725.65) | 155,558.90 | 81,564.92 | 3,578.04 | (9,023.37) | (2,897.66) | (14,868.54) | (53,719.88) |
| NON-OPERATING REVENUE (EX... | | | | | | | | | | |
| Interest Income | 37,336.83 | 257,053.68 | 43,585.41 | 8,889.04 | 4,848.56 | 1,664.48 | | | 133,434.48 | 486,812.48 |
| Interest Expense | | (41,614.92) | | (40,721.79) | (30,786.00) | | | | | (113,122.71) |
| Total Non-Operating Expense, Net | 37,336.83 | 215,438.76 | 43,585.41 | (31,832.75) | (25,937.44) | 1,664.48 | | | 133,434.48 | 373,689.77 |
| CHANGE IN NET ASSETS | 39,686.36 | 15,182.71 | (26,140.24) | 123,726.15 | 55,627.48 | 5,242.52 | (9,023.37) | (2,897.66) | 118,565.94 | 319,969.89 |

**Summary of All Units
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025**

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|---------------------------------|------------------------------------|----------------------|---------------------|---------------------|---------------------------------|
| OPERATING REVENUE: | | | | | |
| | Customer Billings | \$30,530,200.00 | \$2,544,050.00 | \$2,456,741.59 | (\$87,308.41) |
| | Grant Revenue | 7,974,898.00 | 664,574.00 | 0.00 | (664,574.00) |
| | Loan Interest Income | 680,000.00 | 56,667.00 | 43,278.19 | (13,388.81) |
| | Other Income | 1,443,430.00 | 120,287.00 | 79,688.24 | (40,598.76) |
| | Total Operating Revenue | 40,628,528.00 | 3,385,578.00 | 2,579,708.02 | (805,869.98) |
| OPERATING EXPENSES | | | | | |
| | Depreciation & Amortization | 11,255,096.00 | 881,496.00 | 876,376.96 | (5,119.04) |
| | Amortization, Lease ROU | 150,000.00 | 0.00 | 0.00 | 0.00 |
| | Salaries | 8,515,455.00 | 709,620.00 | 575,253.01 | (134,366.99) |
| | Fringe Benefits | 4,101,120.00 | 341,760.25 | 296,993.91 | (44,766.34) |
| | Operation & Maintenance | 3,695,347.00 | 293,304.00 | 245,131.63 | (48,172.37) |
| | Waste Diversion | 216,750.00 | 18,062.00 | 2,005.00 | (16,057.00) |
| | Wastewater Treatment | 2,115,339.00 | 176,278.00 | 176,278.25 | 0.25 |
| | Closure & Post Closure Costs | 2,040,129.00 | 170,011.00 | 172,084.96 | 2,073.96 |
| | Water Purchases | 958,877.00 | 79,907.00 | 78,414.73 | (1,492.27) |
| | Community Benefits | 1,160,050.00 | 78,390.00 | 70,861.25 | (7,528.75) |
| | Office & Administration | 670,310.00 | 62,799.42 | 53,166.21 | (9,633.21) |
| | Insurance | 769,100.00 | 64,092.00 | 64,091.67 | (0.33) |
| | Utilities | 215,500.00 | 17,958.00 | 8,356.36 | (9,601.64) |
| | Bad Debt Expense | 0.00 | 0.00 | (92,077.58) | (92,077.58) |
| | Materials & Supplies | 333,500.00 | 27,791.00 | 1,478.88 | (26,312.12) |
| | Professional Fees | 625,268.00 | 43,208.00 | 323.00 | (42,885.00) |
| | Repairs & Maintenance | 233,750.00 | 19,480.00 | 3,890.89 | (15,589.11) |
| | Automobile | 701,743.00 | 58,477.00 | 39,787.06 | (18,689.94) |
| | Computer Expenses | 470,860.00 | 45,931.33 | 61,011.71 | 15,080.38 |
| | Grants | 275,000.00 | 22,917.00 | 0.00 | (22,917.00) |
| | Admin Allocation | 0.00 | 0.42 | 0.00 | (0.42) |
| | NYS Administrative Assessment | 125,049.00 | 3,200.00 | 0.00 | (3,200.00) |
| | Contingency | 85,000.00 | 7,083.00 | 0.00 | (7,083.00) |
| | Total Operating Expenses | 38,713,243.00 | 3,121,765.42 | 2,633,427.90 | (488,337.52) |
| | Total Operating Income | 1,915,285.00 | 263,812.58 | (53,719.88) | (317,532.46) |
| NON-OPERATING REVENUE... | | | | | |
| | Interest Income | 2,562,861.00 | 213,573.00 | 486,812.48 | 273,239.48 |
| | Gain on Sale of Fixed Assets | 99,000.00 | 8,250.00 | 0.00 | (8,250.00) |
| | Gain on Trade-In of Fixed Ass... | 70,000.00 | 5,833.00 | 0.00 | (5,833.00) |
| | Interest Expense | (1,288,021.00) | (103,345.00) | (113,122.71) | (9,777.71) |
| | Debt Issuance Costs | (50,000.00) | (4,167.00) | 0.00 | 4,167.00 |
| | Total Non-Operating Expe... | 1,393,840.00 | 120,144.00 | 373,689.77 | 253,545.77 |
| | CHANGE IN NET POSITION | 3,309,125.00 | 383,956.58 | 319,969.89 | (63,986.69) |

Administration
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|----|------------------------------------|---------------------|--------------------|------------------|---------------------------------|
| | OPERATING REVENUE: | | | | |
| | Other Income | \$396,500.00 | \$33,042.00 | \$33,041.66 | (\$0.34) |
| | Total Operating Revenue | 396,500.00 | 33,042.00 | 33,041.66 | (0.34) |
| | OPERATING EXPENSES | | | | |
| | Depreciation & Amortization | 354,300.00 | 22,085.00 | 28,688.94 | 6,603.94 |
| | Amortization, Lease ROU | 150,000.00 | 0.00 | 0.00 | 0.00 |
| | Salaries | 1,450,501.00 | 120,875.00 | 98,617.08 | (22,257.92) |
| | Fringe Benefits | 731,728.00 | 60,978.00 | 53,202.98 | (7,775.02) |
| | Operation & Maintenance | 5,996.00 | 499.00 | 2,770.95 | 2,271.95 |
| | Office & Administration | 160,265.00 | 23,022.00 | 33,162.28 | 10,140.28 |
| | Insurance | 21,900.00 | 1,825.00 | 1,825.00 | 0.00 |
| | Professional Fees | 111,940.00 | 3,937.00 | 158.00 | (3,779.00) |
| | Automobile | 540.00 | 45.00 | 125.00 | 80.00 |
| | Computer Expenses | 298,350.00 | 31,554.00 | 48,961.71 | 17,407.71 |
| | Admin Allocation | (2,505,635.00) | (208,805.00) | (236,819.81) | (28,014.81) |
| | Contingency | 30,000.00 | 2,500.00 | 0.00 | (2,500.00) |
| | Total Operating Expenses | 809,885.00 | 58,515.00 | 30,692.13 | (27,822.87) |
| | Total Operating Income | (413,385.00) | (25,473.00) | 2,349.53 | 27,822.53 |
| | NON-OPERATING REVENUE... | | | | |
| | Interest Income | 354,667.00 | 29,556.00 | 37,336.83 | 7,780.83 |
| | Gain on Sale of Fixed Assets | 50,000.00 | 4,167.00 | 0.00 | (4,167.00) |
| | Total Non-Operating Expe... | 404,667.00 | 33,723.00 | 37,336.83 | 3,613.83 |
| | CHANGE IN NET POSITION | (8,718.00) | 8,250.00 | 39,686.36 | 31,436.36 |

Materials Management
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|---------------------------------|------------------------------------|-----------------------|---------------------|---------------------|---------------------------------|
| OPERATING REVENUE: | | | | | |
| | Customer Billings | \$12,090,922.00 | \$1,007,578.00 | \$916,862.26 | (\$90,715.74) |
| | Grant Revenue | 154,776.00 | 12,898.00 | 0.00 | (12,898.00) |
| | Other Income | 1,003,520.00 | 83,627.00 | 43,868.08 | (39,758.92) |
| | Total Operating Revenue | 13,249,218.00 | 1,104,103.00 | 960,730.34 | (143,372.66) |
| OPERATING EXPENSES | | | | | |
| | Depreciation & Amortization | 5,965,100.00 | 471,810.00 | 464,087.68 | (7,722.32) |
| | Salaries | 1,923,759.00 | 160,314.00 | 133,898.79 | (26,415.21) |
| | Fringe Benefits | 1,004,195.00 | 83,683.00 | 79,654.75 | (4,028.25) |
| | Operation & Maintenance | 1,064,437.00 | 88,705.00 | 39,451.46 | (49,253.54) |
| | Waste Diversion | 216,750.00 | 18,062.00 | 2,005.00 | (16,057.00) |
| | Wastewater Treatment | 600,000.00 | 50,000.00 | 50,000.00 | 0.00 |
| | Closure & Post Closure Costs | 2,040,129.00 | 170,011.00 | 172,084.96 | 2,073.96 |
| | Community Benefits | 940,685.00 | 78,390.00 | 70,861.25 | (7,528.75) |
| | Office & Administration | 142,351.00 | 9,094.00 | 13,167.58 | 4,073.58 |
| | Insurance | 304,100.00 | 25,342.00 | 25,341.67 | (0.33) |
| | Utilities | 90,000.00 | 7,500.00 | 6,530.41 | (969.59) |
| | Materials & Supplies | 333,500.00 | 27,791.00 | 1,478.88 | (26,312.12) |
| | Professional Fees | 141,835.00 | 11,820.00 | 0.00 | (11,820.00) |
| | Repairs & Maintenance | 10,000.00 | 833.00 | 2,878.63 | 2,045.63 |
| | Automobile | 73,900.00 | 6,158.00 | 5,325.00 | (833.00) |
| | Computer Expenses | 25,725.00 | 2,144.00 | 0.00 | (2,144.00) |
| | Admin Allocation | 974,568.00 | 81,214.00 | 92,122.91 | 10,908.91 |
| | Engineering Allocation | 61,178.00 | 5,098.00 | 2,097.42 | (3,000.58) |
| | NYS Administrative Assessment | 54,220.00 | 0.00 | 0.00 | 0.00 |
| | Contingency | 30,000.00 | 2,500.00 | 0.00 | (2,500.00) |
| | Total Operating Expenses | 15,996,432.00 | 1,300,469.00 | 1,160,986.39 | (139,482.61) |
| | Total Operating Income | (2,747,214.00) | (196,366.00) | (200,256.05) | (3,890.05) |
| NON-OPERATING REVENUE... | | | | | |
| | Interest Income | 845,186.00 | 70,433.00 | 257,053.68 | 186,620.68 |
| | Gain on Sale of Fixed Assets | 49,000.00 | 4,083.00 | 0.00 | (4,083.00) |
| | Gain on Trade-In of Fixed Ass... | 70,000.00 | 5,833.00 | 0.00 | (5,833.00) |
| | Interest Expense | (558,369.00) | (46,531.00) | (41,614.92) | 4,916.08 |
| | Total Non-Operating Expe... | 405,817.00 | 33,818.00 | 215,438.76 | 181,620.76 |
| | CHANGE IN NET POSITION | (2,341,397.00) | (162,548.00) | 15,182.71 | 177,730.71 |

Telecommunications
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|---------------------------------|------------------------------------|----------------------|---------------------|--------------------|---------------------------------|
| OPERATING REVENUE: | | | | | |
| | Customer Billings | \$6,217,948.00 | \$518,163.00 | \$507,913.67 | (\$10,249.33) |
| | Grant Revenue | 6,780,000.00 | 565,000.00 | 0.00 | (565,000.00) |
| | Other Income | 12,000.00 | 1,000.00 | (109.05) | (1,109.05) |
| | Total Operating Revenue | 13,009,948.00 | 1,084,163.00 | 507,804.62 | (576,358.38) |
| OPERATING EXPENSES | | | | | |
| | Depreciation & Amortization | 3,470,300.00 | 268,307.00 | 260,484.74 | (7,822.26) |
| | Salaries | 1,632,885.00 | 136,074.00 | 107,637.95 | (28,436.05) |
| | Fringe Benefits | 657,399.00 | 54,785.00 | 47,486.98 | (7,298.02) |
| | Operation & Maintenance | 2,196,763.00 | 168,979.00 | 173,348.01 | 4,369.01 |
| | Office & Administration | 42,430.00 | 3,404.00 | 1,234.48 | (2,169.52) |
| | Insurance | 210,800.00 | 17,567.00 | 17,566.67 | (0.33) |
| | Utilities | 5,500.00 | 458.00 | 26.97 | (431.03) |
| | Bad Debt Expense | 0.00 | 0.00 | (96,653.93) | (96,653.93) |
| | Professional Fees | 40,169.00 | 2,917.00 | 165.00 | (2,752.00) |
| | Automobile | 107,800.00 | 8,983.00 | 5,483.33 | (3,499.67) |
| | Computer Expenses | 44,395.00 | 3,700.00 | 0.00 | (3,700.00) |
| | Admin Allocation | 631,086.00 | 52,591.00 | 59,654.91 | 7,063.91 |
| | Engineering Allocation | 23,220.00 | 1,935.00 | 1,095.16 | (839.84) |
| | NYS Administrative Assessment | 25,501.00 | 2,125.00 | 0.00 | (2,125.00) |
| | Contingency | 25,000.00 | 2,083.00 | 0.00 | (2,083.00) |
| | Total Operating Expenses | 9,113,248.00 | 723,908.00 | 577,530.27 | (146,377.73) |
| | Total Operating Income | 3,896,700.00 | 360,255.00 | (69,725.65) | (429,980.65) |
| NON-OPERATING REVENUE... | | | | | |
| | Interest Income | 367,308.00 | 30,609.00 | 43,585.41 | 12,976.41 |
| | Total Non-Operating Expe... | 367,308.00 | 30,609.00 | 43,585.41 | 12,976.41 |
| | CHANGE IN NET POSITION | 4,264,008.00 | 390,864.00 | (26,140.24) | (417,004.24) |

Water Quality
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|---------------------------------|------------------------------------|----------------------|--------------------|--------------------|---------------------------------|
| OPERATING REVENUE: | | | | | |
| | Customer Billings | \$11,341,915.00 | \$945,161.00 | \$961,799.97 | \$16,638.97 |
| | Other Income | 3,610.00 | 301.00 | 300.83 | (0.17) |
| | Total Operating Revenue | 11,345,525.00 | 945,462.00 | 962,100.80 | 16,638.80 |
| OPERATING EXPENSES | | | | | |
| | Depreciation & Amortization | 1,457,396.00 | 118,627.00 | 122,453.46 | 3,826.46 |
| | Salaries | 2,673,391.00 | 222,781.00 | 176,546.66 | (46,234.34) |
| | Fringe Benefits | 1,340,580.00 | 111,714.00 | 96,924.31 | (14,789.69) |
| | Operation & Maintenance | 225,500.00 | 18,650.33 | 8,483.23 | (10,167.10) |
| | Wastewater Treatment | 1,515,339.00 | 126,278.00 | 126,278.25 | 0.25 |
| | Water Purchases | 958,877.00 | 79,907.00 | 78,414.73 | (1,492.27) |
| | Office & Administration | 108,784.00 | 8,595.67 | 1,862.86 | (6,732.81) |
| | Insurance | 216,000.00 | 18,000.00 | 18,000.00 | 0.00 |
| | Utilities | 120,000.00 | 10,000.00 | 1,798.98 | (8,201.02) |
| | Professional Fees | 6,331.00 | 367.00 | 0.00 | (367.00) |
| | Repairs & Maintenance | 223,750.00 | 18,647.00 | 1,012.26 | (17,634.74) |
| | Automobile | 491,700.00 | 40,975.00 | 27,628.73 | (13,346.27) |
| | Computer Expenses | 36,750.00 | 3,063.00 | 7,327.00 | 4,264.00 |
| | Admin Allocation | 657,961.00 | 54,831.00 | 62,188.88 | 7,357.88 |
| | Engineering Allocation | 53,010.00 | 4,418.00 | 1,502.96 | (2,915.04) |
| | NYS Administrative Assessment | 42,690.00 | 1,075.00 | 0.00 | (1,075.00) |
| | Total Operating Expenses | 10,128,059.00 | 837,929.00 | 730,422.31 | (107,506.69) |
| | Total Operating Income | 1,217,466.00 | 107,533.00 | 231,678.49 | 124,145.49 |
| NON-OPERATING REVENUE... | | | | | |
| | Interest Income | 123,200.00 | 10,266.00 | 15,402.08 | 5,136.08 |
| | Interest Expense | (729,652.00) | (56,814.00) | (71,507.79) | (14,693.79) |
| | Debt Issuance Costs | (50,000.00) | (4,167.00) | 0.00 | 4,167.00 |
| | Total Non-Operating Expe... | (656,452.00) | (50,715.00) | (56,105.71) | (5,390.71) |
| | CHANGE IN NET POSITION | 561,014.00 | 56,818.00 | 175,572.78 | 118,754.78 |

Army Sewer
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|----|------------------------------------|---------------------|--------------------|--------------------|---------------------------------|
| | OPERATING REVENUE: | | | | |
| | Customer Billings | \$4,799,323.00 | \$399,944.00 | \$419,629.38 | \$19,685.38 |
| | Other Income | 3,610.00 | 301.00 | 300.83 | (0.17) |
| | Total Operating Revenue | 4,802,933.00 | 400,245.00 | 419,930.21 | 19,685.21 |
| | OPERATING EXPENSES | | | | |
| | Depreciation & Amortization | 530,400.00 | 41,378.00 | 47,744.00 | 6,366.00 |
| | Salaries | 556,228.00 | 46,352.00 | 27,719.65 | (18,632.35) |
| | Fringe Benefits | 275,888.00 | 22,991.00 | 13,891.72 | (9,099.28) |
| | Operation & Maintenance | 119,000.00 | 9,916.00 | 0.00 | (9,916.00) |
| | Wastewater Treatment | 1,515,339.00 | 126,278.00 | 126,278.25 | 0.25 |
| | Water Purchases | 4,500.00 | 375.00 | 0.00 | (375.00) |
| | Office & Administration | 9,223.00 | 625.00 | 0.00 | (625.00) |
| | Insurance | 80,700.00 | 6,725.00 | 6,725.00 | 0.00 |
| | Utilities | 65,000.00 | 5,417.00 | 32.31 | (5,384.69) |
| | Professional Fees | 4,176.00 | 250.00 | 0.00 | (250.00) |
| | Repairs & Maintenance | 85,000.00 | 7,083.00 | 614.26 | (6,468.74) |
| | Computer Expenses | 10,999.00 | 917.00 | 0.00 | (917.00) |
| | Admin Allocation | 347,589.00 | 28,966.00 | 32,846.91 | 3,880.91 |
| | Engineering Allocation | 17,710.00 | 1,476.00 | 451.06 | (1,024.94) |
| | Water Quality Allocation | 135,497.00 | 11,291.00 | 8,068.15 | (3,222.85) |
| | NYS Administrative Assessment | 17,252.00 | 0.00 | 0.00 | 0.00 |
| | Total Operating Expenses | 3,774,501.00 | 310,040.00 | 264,371.31 | (45,668.69) |
| | Total Operating Income | 1,028,432.00 | 90,205.00 | 155,558.90 | 65,353.90 |
| | NON-OPERATING REVENUE... | | | | |
| | Interest Income | 67,800.00 | 5,650.00 | 8,889.04 | 3,239.04 |
| | Interest Expense | (285,000.00) | (23,750.00) | (40,721.79) | (16,971.79) |
| | Debt Issuance Costs | (50,000.00) | (4,167.00) | 0.00 | 4,167.00 |
| | Total Non-Operating Expe... | (267,200.00) | (22,267.00) | (31,832.75) | (9,565.75) |
| | CHANGE IN NET POSITION | 761,232.00 | 67,938.00 | 123,726.15 | 55,788.15 |

**Army Water Line
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025**

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|----|------------------------------------|---------------------|--------------------|--------------------|---------------------------------|
| | OPERATING REVENUE: | | | | |
| | Customer Billings | \$3,188,514.00 | \$265,710.00 | \$281,734.45 | \$16,024.45 |
| | Total Operating Revenue | 3,188,514.00 | 265,710.00 | 281,734.45 | 16,024.45 |
| | OPERATING EXPENSES | | | | |
| | Depreciation & Amortization | 748,600.00 | 62,383.00 | 60,691.01 | (1,691.99) |
| | Salaries | 519,307.00 | 43,274.00 | 24,160.60 | (19,113.40) |
| | Fringe Benefits | 250,970.00 | 20,913.00 | 12,858.88 | (8,054.12) |
| | Operation & Maintenance | 10,000.00 | 834.00 | 0.00 | (834.00) |
| | Water Purchases | 840,863.00 | 70,072.00 | 70,071.92 | (0.08) |
| | Office & Administration | 5,826.00 | 167.00 | 81.20 | (85.80) |
| | Insurance | 60,400.00 | 5,033.00 | 5,033.33 | 0.33 |
| | Utilities | 25,000.00 | 2,083.00 | 0.00 | (2,083.00) |
| | Professional Fees | 1,655.00 | 75.00 | 0.00 | (75.00) |
| | Repairs & Maintenance | 106,250.00 | 8,855.00 | 114.74 | (8,740.26) |
| | Computer Expenses | 3,775.00 | 315.00 | 0.00 | (315.00) |
| | Admin Allocation | 247,988.00 | 20,666.00 | 23,445.16 | 2,779.16 |
| | Engineering Allocation | 18,074.00 | 1,506.00 | 374.73 | (1,131.27) |
| | Water Quality Allocation | 124,325.00 | 10,360.00 | 3,337.96 | (7,022.04) |
| | NYS Administrative Assessment | 12,897.00 | 1,075.00 | 0.00 | (1,075.00) |
| | Total Operating Expenses | 2,975,930.00 | 247,611.00 | 200,169.53 | (47,441.47) |
| | Total Operating Income | 212,584.00 | 18,099.00 | 81,564.92 | 63,465.92 |
| | NON-OPERATING REVENUE... | | | | |
| | Interest Income | 37,000.00 | 3,083.00 | 4,848.56 | 1,765.56 |
| | Interest Expense | (396,773.00) | (33,064.00) | (30,786.00) | 2,278.00 |
| | Total Non-Operating Expe... | (359,773.00) | (29,981.00) | (25,937.44) | 4,043.56 |
| | CHANGE IN NET POSITION | (147,189.00) | (11,882.00) | 55,627.48 | 67,509.48 |

**Regional Water Line
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025**

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|----|------------------------------------|--------------------|-------------------|------------------|---------------------------------|
| | OPERATING REVENUE: | | | | |
| | Customer Billings | \$449,942.00 | \$37,496.00 | \$36,562.51 | (\$933.49) |
| | Total Operating Revenue | 449,942.00 | 37,496.00 | 36,562.51 | (933.49) |
| | OPERATING EXPENSES | | | | |
| | Depreciation & Amortization | 178,396.00 | 14,866.00 | 14,018.45 | (847.55) |
| | Salaries | 45,209.00 | 3,767.00 | 3,435.92 | (331.08) |
| | Fringe Benefits | 21,386.00 | 1,782.00 | 2,156.01 | 374.01 |
| | Operation & Maintenance | 8,500.00 | 567.00 | 0.00 | (567.00) |
| | Water Purchases | 113,514.00 | 9,460.00 | 8,342.81 | (1,117.19) |
| | Office & Administration | 360.00 | 21.00 | 0.00 | (21.00) |
| | Insurance | 7,700.00 | 642.00 | 641.67 | (0.33) |
| | Utilities | 30,000.00 | 2,500.00 | 1,766.67 | (733.33) |
| | Professional Fees | 500.00 | 42.00 | 0.00 | (42.00) |
| | Repairs & Maintenance | 32,500.00 | 2,709.00 | 283.26 | (2,425.74) |
| | Computer Expenses | 533.00 | 44.00 | 0.00 | (44.00) |
| | Admin Allocation | 17,868.00 | 1,489.00 | 1,681.42 | 192.42 |
| | Engineering Allocation | 4,365.00 | 364.00 | 142.74 | (221.26) |
| | Water Quality Allocation | 11,144.00 | 929.00 | 515.52 | (413.48) |
| | NYS Administrative Assessment | 1,662.00 | 0.00 | 0.00 | 0.00 |
| | Total Operating Expenses | 473,637.00 | 39,182.00 | 32,984.47 | (6,197.53) |
| | Total Operating Income | (23,695.00) | (1,686.00) | 3,578.04 | 5,264.04 |
| | NON-OPERATING REVENUE... | | | | |
| | Interest Income | 18,400.00 | 1,533.00 | 1,664.48 | 131.48 |
| | Interest Expense | (47,879.00) | 0.00 | 0.00 | 0.00 |
| | Total Non-Operating Expe... | (29,479.00) | 1,533.00 | 1,664.48 | 131.48 |
| | CHANGE IN NET POSITION | (53,174.00) | (153.00) | 5,242.52 | 5,395.52 |

Water Sewer Contracts
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|----|---------------------------------|---------------------|-------------------|-------------------|---------------------------------|
| | OPERATING REVENUE: | | | | |
| | Customer Billings | \$2,904,136.00 | \$242,011.00 | \$223,873.63 | (\$18,137.37) |
| | Total Operating Revenue | 2,904,136.00 | 242,011.00 | 223,873.63 | (18,137.37) |
| | OPERATING EXPENSES | | | | |
| | Salaries | 1,552,647.00 | 129,388.00 | 121,230.49 | (8,157.51) |
| | Fringe Benefits | 792,336.00 | 66,028.00 | 68,017.70 | 1,989.70 |
| | Operation & Maintenance | 88,000.00 | 7,333.33 | 8,483.23 | 1,149.90 |
| | Office & Administration | 93,375.00 | 7,782.67 | 1,781.66 | (6,001.01) |
| | Insurance | 67,200.00 | 5,600.00 | 5,600.00 | 0.00 |
| | Automobile | 491,700.00 | 40,975.00 | 27,628.73 | (13,346.27) |
| | Computer Expenses | 21,443.00 | 1,787.00 | 7,327.00 | 5,540.00 |
| | Admin Allocation | 44,516.00 | 3,710.00 | 4,215.39 | 505.39 |
| | Engineering Allocation | 12,861.00 | 1,072.00 | 534.43 | (537.57) |
| | Water Quality Allocation | (270,966.00) | (22,580.00) | (11,921.63) | 10,658.37 |
| | NYS Administrative Assessment | 10,879.00 | 0.00 | 0.00 | 0.00 |
| | Total Operating Expenses | 2,903,991.00 | 241,096.00 | 232,897.00 | (8,199.00) |
| | Total Operating Income | 145.00 | 915.00 | (9,023.37) | (9,938.37) |
| | NON-OPERATING REVENUE... | | | | |
| | CHANGE IN NET POSITION | 145.00 | 915.00 | (9,023.37) | (9,938.37) |

Engineering
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|----|---------------------------------|-------------------|------------------|-------------------|---------------------------------|
| | OPERATING REVENUE: | | | | |
| | Customer Billings | \$650,635.00 | \$54,220.00 | \$54,541.47 | \$321.47 |
| | Total Operating Revenue | 650,635.00 | 54,220.00 | 54,541.47 | 321.47 |
| | OPERATING EXPENSES | | | | |
| | Salaries | 284,128.00 | 23,677.00 | 23,470.04 | (206.96) |
| | Fringe Benefits | 114,367.00 | 9,530.00 | 5,478.51 | (4,051.49) |
| | Operation & Maintenance | 172,151.00 | 14,345.67 | 20,652.98 | 6,307.31 |
| | Office & Administration | 51,341.00 | 4,277.00 | 206.23 | (4,070.77) |
| | Insurance | 16,300.00 | 1,358.00 | 1,358.33 | 0.33 |
| | Professional Fees | 1,000.00 | 83.00 | 0.00 | (83.00) |
| | Automobile | 22,100.00 | 1,841.00 | 1,225.00 | (616.00) |
| | Computer Expenses | 59,115.00 | 4,926.33 | 4,723.00 | (203.33) |
| | Admin Allocation | 53,030.00 | 4,419.00 | 5,020.58 | 601.58 |
| | Engineering Allocation | (137,852.00) | (11,488.00) | (4,695.54) | 6,792.46 |
| | NYS Administrative Assessment | 2,638.00 | 0.00 | 0.00 | 0.00 |
| | Total Operating Expenses | 638,318.00 | 52,969.00 | 57,439.13 | 4,470.13 |
| | Total Operating Income | 12,317.00 | 1,251.00 | (2,897.66) | (4,148.66) |
| | NON-OPERATING REVENUE... | | | | |
| | CHANGE IN NET POSITION | 12,317.00 | 1,251.00 | (2,897.66) | (4,148.66) |

**Regional Development
Change In Net Position
For the One Month Ending Wednesday, April 30, 2025**

| GL | Account Description | Annual Budget | YTD Budget | Actual YTD | YTD Variance Over (Under) |
|---------------------------------|------------------------------------|---------------------|-------------------|--------------------|---------------------------------|
| OPERATING REVENUE: | | | | | |
| | Customer Billings | \$228,780.00 | \$18,928.00 | \$15,624.22 | (\$3,303.78) |
| | Grant Revenue | 1,040,122.00 | 86,676.00 | 0.00 | (86,676.00) |
| | Loan Interest Income | 680,000.00 | 56,667.00 | 43,278.19 | (13,388.81) |
| | Other Income | 27,800.00 | 2,317.00 | 2,586.72 | 269.72 |
| | Total Operating Revenue | 1,976,702.00 | 164,588.00 | 61,489.13 | (103,098.87) |
| OPERATING EXPENSES | | | | | |
| | Depreciation & Amortization | 8,000.00 | 667.00 | 662.14 | (4.86) |
| | Salaries | 550,791.00 | 45,899.00 | 35,082.49 | (10,816.51) |
| | Fringe Benefits | 252,851.00 | 21,070.25 | 14,246.38 | (6,823.87) |
| | Operation & Maintenance | 30,500.00 | 2,125.00 | 425.00 | (1,700.00) |
| | Community Benefits | 219,365.00 | 0.00 | 0.00 | 0.00 |
| | Office & Administration | 165,139.00 | 14,406.75 | 3,532.78 | (10,873.97) |
| | Bad Debt Expense | 0.00 | 0.00 | 4,576.35 | 4,576.35 |
| | Professional Fees | 323,993.00 | 24,084.00 | 0.00 | (24,084.00) |
| | Automobile | 5,703.00 | 475.00 | 0.00 | (475.00) |
| | Computer Expenses | 6,525.00 | 544.00 | 0.00 | (544.00) |
| | Grants | 275,000.00 | 22,917.00 | 0.00 | (22,917.00) |
| | Admin Allocation | 188,990.00 | 15,750.42 | 17,832.53 | 2,082.11 |
| | Engineering Allocation | 444.00 | 37.00 | 0.00 | (37.00) |
| | Total Operating Expenses | 2,027,301.00 | 147,975.42 | 76,357.67 | (71,617.75) |
| | Total Operating Income | (50,599.00) | 16,612.58 | (14,868.54) | (31,481.12) |
| NON-OPERATING REVENUE... | | | | | |
| | Interest Income | 872,500.00 | 72,709.00 | 133,434.48 | 60,725.48 |
| | Total Non-Operating Expe... | 872,500.00 | 72,709.00 | 133,434.48 | 60,725.48 |
| | CHANGE IN NET POSITION | 821,901.00 | 89,321.58 | 118,565.94 | 29,244.36 |

NON-LEWIS COUNTY CONTRACTS

| Company | Customer | Contract Type | Description of Services/Contract Title | Current Agreement (\$) | New Agreement / Amendment (\$) | Total Agreement | Start Date | End Date | County |
|---------|------------------|---------------|---|------------------------|--------------------------------|-----------------|------------|-----------|-----------|
| 60 | Jefferson County | TSA | Jefferson County Planning and Community Development (As needed Engineering Services) | \$ - | \$ 10,000.00 | \$ 10,000.00 | 7/1/2025 | 3/31/2026 | Jefferson |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

LEWIS COUNTY CONTRACTS

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

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

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

Contract Criteria

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

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

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

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



Board Resolution No. 2025-06-44 June 26, 2025

FISCAL YEAR 2026 OPERATING BUDGET AMENDMENT MATERIALS MANAGEMENT FACILITY SALE OF CARBON CREDIT OFFSETS

Whereas, the Development Authority of the North Country adopted an Operating Budget for FY 2026 pursuant to **Resolution No. 2025-02-07**, and

Whereas, **Resolution No. 2024-06-50** authorized an increase in revenue and expenditures associated with the 2023 verification and sale of carbon credit offsets in the FY 2025 Materials Management Facility Budget, and

Whereas, the 2023 verification and sale of carbon credit offsets was not completed in FY 2025, and

Whereas, the 2023 verification and sale of carbon credit offsets was completed in quarter one of FY 2026, and

Whereas, the Materials Management budget for FY 2026 did not include the revenue and expenditures associated with the sale of the 2023 carbon credit offsets, and

Whereas, the Materials Management budget for FY 2026 shall be amended to include the revenue and expenditures associated with the sale of the 2023 carbon credit offsets.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FY 2026 Materials Management Facility Budget to include the revenue and expenditures associated with the sale of the 2023 carbon credit offsets as follows:

| Materials Management Facility | Current Budget | Amended Budget | Change |
|-------------------------------|----------------|----------------|------------|
| Carbon Credit Revenue | \$ 543,650 | \$ 1,084,937 | \$ 541,287 |
| | | | |
| Carbon Credit Expense | \$ 87,100 | \$ 171,936 | \$ 84,836 |
| | | | |
| Net Change | | | \$ 456,451 |



Board Resolution No. 2025-06-45

June 26, 2024

AUTHORIZING CONSOLIDATED FUNDING APPLICATION UPSTATE REVITALIZATION INITIATIVE NORTH COUNTRY HOUSING PROGRAM

Whereas, Development Authority staff have collaborated with the North Country Regional Economic Development Council (NCREDC) to identify strategies to address the need for quality, affordable workforce housing across the 7 counties of the NCREDC, and

Whereas, the 7 counties of the NCREDC are Jefferson, Lewis, St. Lawrence, Franklin, Clinton, Essex and Hamilton, and

Whereas, one of the strategies identified was the creation of a housing fund to assist developers in building workforce housing across the 7-county region, and

Whereas, the Development Authority has over 35 years of experience in successfully administering housing revolving loan funds; primarily due to the growth around Fort Drum, and

Whereas, due to the Authority's previous experience in managing housing revolving loan funds, the Authority was identified by the NCREDC to administer the North Country Housing Program, if funded by the state, and

Whereas, the Authority will apply for up to \$3 million in grant funding through the Upstate Revitalization Initiative to capitalize a North County Housing Program to support workforce housing, and

Whereas, such housing program is consistent with the North Country Regional Economic Development Council's strategic plan for the development of quality, affordable workforce housing in the 7-county region.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby authorize the Executive Director or designee to submit a Consolidated Funding Application in an amount not to exceed \$3 million to create a North Country Housing Program to support workforce housing across the 7 counties of the North Country Regional Economic Council.