

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

NOTICE AND CONFIRMATION
FINANCE and AUDIT COMMITTEE MEETING

Thursday, March 9, 2023
8:30 AM

DATE: March 6, 2023

TO: Kathleen Bauer, Secretary/Treasurer
Jamie Piccone II
Don Sagliano

FROM: Tim Dean, Chairman

A regular meeting of the Dutchess County Industrial Development Agency [DCIDA] Finance and Audit Committee has been scheduled for **Thursday, March 9, 2023 at 8:30 AM** at 3 Neptune Road, Suite A21, Poughkeepsie, NY 12601.

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

PLEASE TAKE NOTICE that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for March 9, 2023 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at <https://us06web.zoom.us/j/84214497432> or calling 1-929-436-2866 Meeting ID: 842 1449 7432. The meeting will be recorded and will be posted to the Agency's website.

The purpose of the meeting is to consider the following:

1. Approval of Minutes
September 30, 2022
2. 2022 Audit
3. Old Business
4. New Business

| Information Copy | | |
|---|---|--|
| William F.X. O'Neil, DC Executive A. Gregg Pulver, Chairman, DC Legislators Ronald Hicks, Dutchess County | Sarah Lee, Executive Director Jane Denbaum, CFO Donald Cappillino, Counsel Elizabeth Cappillino, Counsel | B. Hunter, WEOK/WPDH H. Gross, MidHudson News |

Dutchess County **DCida** Industrial Development Agency

*Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100*

FINANCE and AUDIT COMMITTEE MEETING

Thursday, March 9, 2023
8:30 AM

AGENDA

1. Roll Call
2. Approval of Minutes
September 30, 2022
3. 2022 Audit
4. Old Business
5. New Business
6. Adjournment

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

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Dutchess County **DCIDA** Industrial Development Agency

*3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100*

FINANCE and AUDIT COMMITTEE MEETING

Friday, September 30, 2022

Present: Kathy Bauer, Secretary/Treasurer
Jamie Piccone II

Unable to Attend: Don Sagliano

Also Present: Sarah Lee, Executive Director
Jane Denbaum, CFO
Jim Beretta & Doreen Tignanelli, Members from the public

On Friday, March 4, 2022, the Dutchess County Industrial Development Agency [DCIDA] Finance and Audit Committee was called to order by Ms. Bauer at 8:00 AM. Present was: Kathy Bauer and Jamie Piccone II. Unable to attend was Don Sagliano. Quorum was established.

APPROVAL OF MINUTES

Ms. Bauer asked for a motion to approve the March 4, 2022 Finance and Audit Committee minutes.

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to approve the DCIDA March 4, 2022 Finance and Audit Committee minutes. Roll call vote was taken. All voted in favor and the motion was carried.

2023 IDA PROPOSED BUDGET

Ms. Lee presented the 2022 year end estimate revenues and expenses and the 2023 IDA proposed budget revenues and expenses.

Discussion, questions and comments ensued.

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to present the proposed 2023 IDA budget to the board at the next meeting in October. Roll call vote was taken. All voted in favor and the motion was carried.

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

There being no further business on the agenda to discuss, the meeting was adjourned by Ms. Bauer at 8:30 AM.

Kathleen Bauer, Secretary/Treasurer

Date

Meeting 09-30-2022
Approved _____
Certified _____

FINANCIAL REPORT
Audited
DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
DUTCHESS COUNTY, NEW YORK
December 31, 2022

Audited for:

Board of Directors
Dutchess County Industrial Development Agency

DRAFT

Audited by:

RBT CPAs, LLP
11 Racquet Road
Newburgh, NY 12550
(845) 567-9000

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dutchess County Industrial Development Agency
3 Neptune Road
Poughkeepsie, New York 12601

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Dutchess County Industrial Development Agency ("Agency"), a component unit of Dutchess County, New York, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Dutchess County Industrial Development Agency as of December 31, 2022 and 2021 and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 4-5 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included on pages 12-19. The other information comprises of the Schedule of Conduit Indebtedness and Schedule of Other Information. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023 on our consideration of the Agency'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 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 Agency's internal control over financial reporting and compliance.

Newburgh, NY
March 9, 2023

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**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF NET POSITION**

The following Management’s Discussion and Analysis report (“MD&A”) provides the reader with an introduction to and overview of the financial activities and performance of the Dutchess County Industrial Development Agency (“Agency”) for the years ended December 31, 2022 and 2021, as mandated by GASB #34. This information should be reviewed in conjunction with the Agency’s audited financial statements.

FINANCIAL POSITION SUMMARY

Net position serves as an indicator of the Agency’s financial position. The Agency’s net position was \$2,505,100 and \$2,886,272 at December 31, 2022 and 2021, respectively.

For details of the Agency’s finances, see the accompanying financial statements and notes thereof.

SUMMARY OF NET POSITION

| | 2022 | 2021 | \$ Change | % Change |
|-------------------------------|---------------------|---------------------|---------------------|-----------------|
| ASSETS | | | | |
| Current and Other Assets | \$ 4,332,282 | \$ 4,936,436 | \$ (604,154) | -12.24% |
| Total Assets | 4,332,282 | 4,936,436 | (604,154) | -12.24% |
| LIABILITIES | | | | |
| Current and Other Liabilities | 1,827,182 | 2,050,164 | (222,982) | -10.88% |
| Total Liabilities | 1,827,182 | 2,050,164 | (222,982) | -10.88% |
| NET POSITION | | | | |
| Unrestricted | 2,505,100 | 2,886,272 | (381,172) | -13.21% |
| Total Net Position | \$ 2,505,100 | \$ 2,886,272 | \$ (381,172) | -13.21% |

FINANCIAL OPERATIONS HIGHLIGHTS

There was a decrease in net position in 2022 of \$381,172, due to a decrease in administrative and closing fees. There was an increase in net position in 2021 of \$680,821, due to an increase in administrative and closing fees.

Administrative and closing fee revenues decreased by \$1,062,461 in 2022, as noted above, this was primarily the result of timing and a decrease in the sizes of new projects.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

| | 2022 | 2021 | \$ Change | % Change |
|---|---------------------|-------------------|-----------------------|-----------------|
| REVENUES | | | | |
| Administrative and Closing Fees | \$ 250,225 | \$ 1,312,686 | \$ (1,062,461) | -80.94% |
| Interest Earnings | 22,130 | 3,781 | 18,349 | 485.29% |
| Total Revenues | 272,355 | 1,316,467 | (1,044,112) | -79.31% |
| EXPENSES | | | | |
| Projects and Professional Service Contracts | 637,186 | 618,084 | 19,102 | 3.09% |
| Administrative Expenses | 16,341 | 17,562 | (1,221) | -6.95% |
| Total Expenses | 653,527 | 635,646 | 17,881 | 2.81% |
| Change in Net Position | \$ (381,172) | \$ 680,821 | \$ (1,061,993) | 155.99% |

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF NET POSITION**

FINANCIAL STATEMENTS

The Agency's financial statements are prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (the "GASB"). The Agency is structured as a proprietary fund. It is a component unit of Dutchess County, New York because the County Legislature appoints the Agency's seven-member Board. Bonds issued through the Agency are not a liability of the County or the Agency, but remain the sole responsibility of the project developer. See the accompanying Notes to the Financial Statements.

CURRENTLY KNOWN FACTS, DECISIONS, AND CONDITIONS

During the January – December 31, 2022 fiscal year, the Dutchess County Industrial Development Agency held 22 public meetings. These meetings included 10 regular board meetings, 3 special meetings, 1 annual meeting, 2 committee meetings, and 6 public hearings

At the March 9, 2022, DCIDA Board meeting, the board approved a Resolution for Vision Hotel, LLC/Hudson Valley Lodging Associates LLC (City of Poughkeepsie) authorizing the assignment of the Bonura and DiBrizzi Enterprises, Inc. Project and the existing Lease Agreement and related documents for said Project in connection with their purchase of the property. The project will retain 30 FTEs.

At the May 24, 2022, DCIDA Special Board meeting, the board approved the Final Resolution for One Dutchess Phase 3, LLC (Town of Poughkeepsie) authorizing Mortgage Recording Tax Exemption and Sales Tax Exemption for an approximately \$29,711,536 project for construction and re-development at 10 O'Neill Court, 20 O'Neill Court, and 70 Dutchess Landing Road to construct commercial and residential buildings consisting of approximately 4,000 sq. feet of commercial space and 84 residential units. The project is projected to create 4 new FTE jobs and approximately 30 construction jobs.

At the June 8, 2022, DCIDA Board meeting, the board approved an Amendment to the master agreement for MHTC to reallocate previously approved benefits to 3 Eastdale Avenue, LLC, which will entail the construction of an aesthetic and wellness clinic. The project will create 2 FTE jobs as part of the 118 total FTE job commitment.

At the October 19, 2022, DCIDA Board meeting, the board approved an Amendment to the master agreement for MHTC to reallocate previously approved benefits to DASC Eastdale Avenue, LLC, which will entail the construction of an ambulatory surgical center. The project will create 20 FTE jobs as part of the 118 total FTE job commitment.

At the November 2, 2022, DCIDA Special Board meeting, the board approved an Amendment to the Reynolds Asset Management/Violet Estate Owner LLC (Town of Poughkeepsie) project agreement to increase their sales tax exemption benefit. The project was experiencing cost increases. The project entails the construction of 84 residential units and 7,100 square feet of commercial space. The project is projected to create 3 new FTE jobs.

At the December 14, 2022, DCIDA Board meeting, the board approved the Final Resolution to amend existing agreements for T-Rex Hyde Park Owner, LLC to provide for additional sales tax benefits and an extension of the project completion date to December 31, 2023. The project has experienced increased costs in materials. The project is projected to create 105 FTEs.

Also, at the December 14, 2022, DCIDA Board meeting, the board approved the Final Resolution for CANAM Hudson Valley Logistics Owner, LLC (Town of East Fishkill) authorizing Mortgage Recording Tax Exemption and Sales Tax Exemption for an approximately \$79,500,000 project for construction of a warehouse and distribution facility of approximately 530,000 square feet and parking for passenger vehicles and trucks, storm water management, landscaping, site lighting, and other utility structures. The project is projected to create 100 new FTE jobs and approximately 125 construction jobs.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF NET POSITION**

| As of December 31 | 2022 | 2021 |
|--|---------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 2,530,141 | \$ 2,916,854 |
| Accounts Receivable | 19,025 | 279,842 |
| Prepaid Expenses | 2,550 | 1,969 |
| | <hr/> | <hr/> |
| Total Current Assets | 2,551,716 | 3,198,665 |
| Cricket Valley Escrow Deposit | 1,780,566 | 1,737,771 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 4,332,282 | 4,936,436 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable and Accrued Liabilities | 45,615 | 312,393 |
| Deferred Income | 1,001 | - |
| | <hr/> | <hr/> |
| Total Current Liabilities | 46,616 | 312,393 |
| Non-Current Liabilities: | | |
| Cricket Valley Escrow Liability | 1,780,566 | 1,737,771 |
| | <hr/> | <hr/> |
| Total Non-Current Liabilities | 1,780,566 | 1,737,771 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 1,827,182 | 2,050,164 |
| NET POSITION | | |
| Unrestricted | 2,505,100 | 2,886,272 |
| | <hr/> | <hr/> |
| TOTAL NET POSITION | \$ 2,505,100 | \$ 2,886,272 |
| | <hr/> <hr/> | <hr/> <hr/> |

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

| For the Years Ended December 31 | 2022 | 2021 |
|---|-----------------------------------|-----------------------------------|
| Operating Revenues: | | |
| Administrative and Closing Fees | <u>\$ 250,225</u> | <u>\$ 1,312,686</u> |
| Total Operating Revenues | <u>250,225</u> | <u>1,312,686</u> |
| Operating Expenses: | | |
| Projects and Professional Service Contracts | <u>637,186</u> | <u>618,084</u> |
| Administrative Expenses | <u>16,341</u> | <u>17,562</u> |
| Total Operating Expenses | <u>653,527</u> | <u>635,646</u> |
| Operating Gain/(Loss) | <u>(403,302)</u> | <u>677,040</u> |
| Non-Operating Revenues: | | |
| Interest Income | <u>22,130</u> | <u>3,781</u> |
| Net Non-Operating Revenues | <u>22,130</u> | <u>3,781</u> |
| Change in Net Position | <u>(381,172)</u> | <u>680,821</u> |
| Net Position, Beginning | <u>2,886,272</u> | <u>2,205,451</u> |
| Net Position, Ending | <u><u>\$ 2,505,100</u></u> | <u><u>\$ 2,886,272</u></u> |

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**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF CASH FLOWS**

| For the Years Ended December 31 | 2022 | 2021 |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Receipts From Providing Services | \$ 512,043 | \$ 1,032,844 |
| Payments to Vendors | (920,886) | (372,279) |
| Net Cash Provided by/(Used in) Operating Activities | (408,843) | 660,565 |
| Cash Flows From Investing Activities: | | |
| Interest income | 22,130 | 3,781 |
| Net Cash Provided by Investing Activities | 22,130 | 3,781 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (386,713) | 664,346 |
| Cash and Cash Equivalents - Beginning | 2,916,854 | 2,252,508 |
| Cash and Cash Equivalents - Ending | \$ 2,530,141 | \$ 2,916,854 |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided by/ (Used in) Operating Activities: | | |
| Operating Gain/(Loss) | \$ (403,302) | \$ 677,040 |
| Changes in Assets and Liabilities: | | |
| Accounts Receivable | 260,817 | (279,842) |
| Prepaid Expenses | (581) | (677) |
| Accounts Payable | (266,778) | 264,044 |
| Deferred Income | 1,001 | 0 |
| Net Cash Provided by/(Used in) Operating Activities | \$ (408,843) | \$ 660,565 |

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The Dutchess County Industrial Development Agency in Poughkeepsie, New York (the "Agency") is a public benefit corporation established June 28, 1977, under the terms of Article 18-A, "New York State Industrial Development Agency Act" of New York State general municipal law.

The Agency was established to promote and assist in acquiring or constructing various business and recreational facilities and, in the process, advance job opportunities, health, general prosperity and economic welfare of the people of Dutchess County.

The Agency's function is to authorize the issuance of industrial revenue bonds and to provide property, mortgage, and sales tax exemptions, to private entities, in order to promote economic development. The Agency reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The Agency receives application fees from applicants and closing fees from those accepted for industrial revenue financing, such fees are recorded when earned.

The Agency contracts with the Dutchess County Local Development Corporation (the "DCLDC") for administrative services.

B. The Reporting Entity

The Agency is considered a component unit of the financial reporting entity known as Dutchess County, New York. Inclusion in the financial reporting entity, Dutchess County, New York, is determined based on financial accountability as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity," as amended. Component units are legally separate entities for which Dutchess County, New York, is financially accountable. The Dutchess County legislature appoints all of the Agency's seven Board Members. This level of control meets the criteria for financial accountability as defined by GASB.

C. Basis of Accounting

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles ("GAAP"), as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under standards set by GASB, the Agency is considered a proprietary fund. Proprietary fund financial statements are prepared on the accrual basis of accounting, which records the financial effects of transactions and other events when these transactions and events occur. Revenues are recognized when they are earned and expenses are recognized when they are incurred. The measurement focus is the flow of economic resources.

D. Cash and Cash Equivalents

For the purpose of presenting the Statements of Cash Flows, the Agency considers all demand deposits, time and savings accounts and certificates of deposit with an original maturity of three months or less, to be cash or cash equivalents.

The Agency has adopted an investment policy in accordance with public authority law which is re-affirmed annually. Such policy defines the Agency's investment objectives, authorization and collateralization procedures and monitoring of compliance with stated policies. As described below, the Agency is in compliance with such policies.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Cash and Cash Equivalents (Continued)

Agency monies are deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand deposit, time and money market savings accounts and certificates of deposit. The Agency's cash balances were fully collateralized with securities held by the Agency's third party custodian and are not subject to custodial credit risk.

E. Accounts Receivable

The Agency's accounts receivable consist primarily of receivables for compliance fees, other fees and overpayments. The Agency reviews individual accounts based on past history and communication with payors to determine collectability, and has not identified any material uncollectible accounts. Accordingly, no allowance has been recorded as of December 31, 2022 and 2021.

F. Use of Estimates

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

G. Subsequent Events

The Agency evaluated subsequent events for disclosure and/or recognition in the financial statements from December 31, 2022 through March 9, 2023, the date on which the financial statements were available for issuance.

II. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At December 31, 2022 and 2021, accounts payable and accrued liabilities consisted primarily of professional service fees, refund of overpayments and service contract expenses incurred of \$45,615 and \$312,393, respectively.

III. CONDUIT DEBT - INDUSTRIAL REVENUE BONDS

To further economic development in the County, the Industrial Development Agency has issued bonds that provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payment received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Industrial Development Agency for any of those bonds. At December 31, 2022 and 2021, the bonds have an aggregate outstanding principal amount payable of \$19,774,290 and \$20,478,154, respectively.

While in most instances the Agency is the holder of legal title to properties acquired with industrial revenue bond financing until such point in time as the construction of property improvements has been completed or satisfaction of the obligation has been affected in full, the Agency does not act as a guarantor in the event that the properties and revenues specified as collateral in the applicable financing agreement are insufficient to meet debt service requirements. Accordingly, recourse on the part of the lending institution is limited to those properties and revenues specified as collateral in the body of the applicable financing agreement.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS**

IV. RELATED PARTY TRANSACTIONS

Members of the Board of Directors of the Agency make up the Board of the DCLDC, therefore the two entities are considered related parties. The Agency has a professional service contract with the DCLDC. Expenses under the service contract totaled \$150,000 and \$150,000 for the years ended December 31, 2022 and 2021, respectively. Liabilities to DCLDC for these service contracts totaled \$102 and \$188 for both years ended December 31, 2022 and 2021, respectively.

V. NEW REPORTING STANDARDS

The GASB has issued Statements 94 through 101, with varying implementation dates, none of which are expected to have any substantive effects on the Agency's net position.

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OTHER INFORMATION

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DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF CONDUIT INDEBTEDNESS
DECEMBER 31, 2021

| Project Name | Original Issue Amount | Original Issue Date | Interest Rate | Outstanding Balance December 31, 2021 | New Issue 2022 | Principal Payments 2022 | Outstanding Balance December 31, 2022 | Final Maturity Date |
|----------------------|-----------------------|---------------------|---------------|---------------------------------------|----------------|-------------------------|---------------------------------------|---------------------|
| | | | | | | | | |
| Davies South Terrace | 8,600,000 | 12/07 | 5.95% | \$ 6,653,154 | \$ - | \$ (98,864) | \$ 6,554,290 | 6/49 |
| Marist College | 20,000,000 | 1/08 | Variable | 13,825,000 | - | (605,000) | 13,220,000 | 7/38 |
| Totals | \$ 28,600,000 | | | \$ 20,478,154 | \$ - | \$ (703,864) | \$ 19,774,290 | |

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2022

| | | PROJECTS | | | | | | | |
|--|------|-------------------|-----------------------|--------------|------------------------------|------------------------------|------------------------------------|--------------|--|
| | | 13022001 | 13021805 | 13022102 | 13020706A | 13022002 | 13021807 | 13021304 | |
| | | 23-28 Creek Drive | 165 Overlook Road LLC | AP Packaging | Arbor Ridge Brookmeade, Inc. | Arthur May Redevelopment LLC | Asahishuzo International Co., Ltd. | Vision Hotel | |
| Tax Exemptions: | | | | | | | | | |
| Sales Tax | *** | \$ - | \$ - | \$ 55,497 | \$ - | \$ 278,971 | \$ 150,557 | \$ - | |
| Real Property Tax* | | 640,243 | 640,243 | - | 325,814 | - | - | 811,379 | |
| TOTALS | | \$ - | \$ 640,243 | \$ 55,497 | \$ 325,814 | \$ 278,971 | \$ 150,557 | \$ 811,379 | |
| Payments in Lieu of Taxes (PILOTS): | | | | | | | | | |
| County | \$ - | \$ - | \$ - | \$ - | \$ 50,818 | \$ - | \$ - | \$ 9,691 | |
| Local | - | - | - | - | 30,617 | - | - | 62,150 | |
| School | - | 338,355 | - | - | 26,141 | - | - | 66,159 | |
| TOTALS | \$ - | \$ 338,355 | \$ - | \$ - | \$ 107,576 | \$ - | \$ - | \$ 138,000 | |
| FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED**: | | | | | | | | | |
| # FTEs before IDA status | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | |
| Original Estimate of Jobs to be Created | 87 | 4 | 105 | 24 | 12 | 7 | 0 | 0 | |
| Original Estimate of Jobs to be Retained | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | |
| Current # of FTEs | 23 | 4 | 111 | 17 | 0 | 0 | 60 | 38 | |
| # of FTE Construction Jobs During Fiscal Year | 0 | 0 | 48 | 0 | 31 | 0 | 0 | 0 | |
| Net Employment Change | 23 | 4 | 111 | 17 | 0 | 0 | 0 | 8 | |

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project occurred but the IDA was not involved.

**PARIS amounts may differ due to software constraints.

***Sales tax amounts were unavailable at the time of the audit.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2022**

| PROJECTS | | | | | | | | | |
|--|-------------------|----------------------|-------------------|-------------|------------------|-------------------|-------------------|--|--|
| | 13021501 | 13021603 | 13020709A | 13022101 | 13021602 | 13021602-A | 13021602-B | | |
| | Built | Cricknet Valley | Davies | Fox | Eastdale | Eastdale Village | Eastdale Village | | |
| | Parcel | Energy Center | Southeast | Run | MHTC | Phase I | Phase II | | |
| | 3 and 4 | | Terrace | | | | | | |
| Tax Exemptions: | | | | | | | | | |
| Sales Tax | \$ - | \$ - | \$ - | *** | \$ 74,397 | \$ - | \$ - | | |
| Real Property Tax* | \$ 192,655 | \$ 37,085,720 | \$ 455,134 | - | - | \$ 541,037 | \$ 174,558 | | |
| TOTALS | \$ 192,655 | \$ 37,085,720 | \$ 455,134 | \$ - | \$ 74,397 | \$ 541,037 | \$ 174,558 | | |
| Payments in Lieu of Taxes (PILOTS): | | | | | | | | | |
| County | \$ 6,849 | \$ 371,695 | \$ 18,599 | - | - | \$ 8,356 | \$ 3,172 | | |
| Local | 44,622 | 510,646 | 81,084 | - | - | 125,348 | 42,097 | | |
| School | 64,122 | 2,591,444 | 128,916 | - | - | 78,714 | 29,454 | | |
| TOTALS | \$ 115,593 | \$ 3,473,785 | \$ 228,599 | \$ - | \$ - | \$ 212,418 | \$ 74,723 | | |
| FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED**: | | | | | | | | | |
| # FTEs before IDA status | 21 | 0 | 3 | 0 | 0 | 0 | 0 | | |
| Original Estimate of Jobs to be Created | 39 | 26 | 0 | 2 | 31 | 0 | 0 | | |
| Original Estimate of Jobs to be Retained | 21 | 0 | 3 | 0 | 0 | 0 | 0 | | |
| Current # of FTEs | 43 | 27 | 3 | 0 | 221 | 0 | 0 | | |
| # of FTE Construction Jobs During Fiscal Year | 0 | 0 | 0 | 155 | 74 | 0 | 0 | | |
| Net Employment Change | 22 | 27 | 0 | 0 | 221 | 0 | 0 | | |

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project occurred but the IDA was not involved.

**PARIS amounts may differ due to software constraints.

***Sales tax amounts were unavailable at the time of the audit.

****Represents employment data for all Eastdale projects.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2022

| | | PROJECTS | | | | | | |
|-------------------------------------|-------------------|-------------------------------|---------------------------|-------------------------------------|-------------------------------------|--|-------------------------------------|-------------------------------------|
| | | 13021602-C | 13021602-D | 13021602-E | 13021602-F | 13021602-G | 13021602-H | 13021602-I |
| | | Eastdale Village Phase I-A | Eastdale Village Rossi | Eastdale Village 45 Eastdale Ave | Eastdale Village 27 Eastdale Ave | Eastdale Village 31-35 Eastdale Ave | Eastdale Village 43 Eastdale Ave | Eastdale Village 39 Eastdale Ave |
| Tax Exemptions: | | | | | | | | |
| Sales Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Real Property Tax* | 398,417 | 22,469 | 36,535 | - | 23,437 | - | 10,709 | 7,942 |
| TOTALS | \$ 398,417 | \$ 22,469 | \$ 36,535 | \$ - | \$ 23,437 | \$ - | \$ 10,709 | \$ 7,942 |
| Payments in Lieu of Taxes (PILOTS): | | | | | | | | |
| County | \$ 7,329 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local | 96,339 | - | - | - | - | - | - | - |
| School | 68,812 | 6,467 | 13,052 | - | 7,173 | - | 4,388 | 2,667 |
| TOTALS | \$ 172,480 | \$ 6,467 | \$ 13,052 | \$ - | \$ 7,173 | \$ - | \$ 4,388 | \$ 2,667 |

**FULL-TIME EQUIVALENT JOBS
CREATED AND RETAINED**:**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| # FTEs before IDA status | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Original Estimate of Jobs to be Created | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Original Estimate of Jobs to be Retained | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Current # of FTEs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| # of FTE Construction Jobs During Fiscal Year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Employment Change | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project occurred but the IDA was not involved.

**PARIS amounts may differ due to software constraints.

***Sales tax amounts were unavailable at the time of the audit.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2022**

| | | PROJECTS | | | | | | | | | |
|--|------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|------------------------------------|-------------------------------|---------------------------------|--|--|
| | | 13021602-J | 13021602-K | 13021602-L | 13021602-M | 13021602-N | 13021602-O | 13021602-P | | | |
| | | Eastdale Village Residential III | Eastdale Village 38 Eastdale Ave | Eastdale Village North Cottages | Eastdale Village 36 Eastdale Ave | Eastdale Village 5 Eastdale Ave | Eastdale Village 7-19 Eastdale Ave | Eastdale Village Eastdale Ave | Eastdale Village Residential IV | | |
| Tax Exemptions: | | | | | | | | | | | |
| Sales Tax | *** | \$ - | \$ 10,586 | \$ - | \$ 7,409 | \$ 4,795 | \$ 3,604 | \$ 28,686 | | | |
| Real Property Tax* | - | - | - | 20,496 | - | - | - | - | | | |
| TOTALS | | \$ - | \$ 10,586 | \$ 20,496 | \$ 7,409 | \$ 4,795 | \$ 3,604 | \$ 28,686 | | | |
| Payments in Lieu of Taxes (PILOTS): | | | | | | | | | | | |
| County | \$ - | \$ - | \$ - | \$ 677 | \$ - | \$ - | \$ - | \$ - | | | |
| Local | - | - | - | 6,059 | - | - | - | - | | | |
| School | - | - | - | 6,174 | - | - | - | - | | | |
| TOTALS | | \$ - | \$ - | \$ 12,910 | \$ - | \$ - | \$ - | \$ - | | | |

FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| # FTEs before IDA status | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Original Estimate of Jobs to be Created | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Original Estimate of Jobs to be Retained | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Current # of FTEs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| # of FTE Construction Jobs During Fiscal Year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Employment Change | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project occurred but the IDA was not involved.

**PARIS amounts may differ due to software constraints.

***Sales tax amounts were unavailable at the time of the audit.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 DUTCHESS COUNTY, NEW YORK
 SCHEDULE OF OTHER INFORMATION
 DECEMBER 31, 2022

PROJECTS

| | 13021602-Q Eastdale Village 3 Eastdale Ave | 13021602-R Eastdale Village 34 Eastdale Ave | 13021602-S Eastdale Village 928-932 Dutchess Turnpike | 13021602-T Eastdale Village DASC Eastdale | 13021901 EFG/Saber Hudson Heritage | 13021406 GPSDC (GAP) New York, Inc. | 13022105 GPSDC (GAP) New York, Inc. |
|-------------------------------------|--|---|--|---|--|---|---|
| Tax Exemptions: | | | | | | | |
| Sales Tax | \$ 6,088 | \$ 2,460 | \$ 1,982 | \$ 5,297 | \$ 109,524 | \$ - | \$ 3,473,684 |
| Real Property Tax* | - | - | - | - | - | 5,353,999 | - |
| TOTALS | \$ 6,088 | \$ 2,460 | \$ 1,982 | \$ 5,297 | \$ 109,524 | \$ 5,353,999 | \$ 3,473,684 |
| Payments in Lieu of Taxes (PILOTS): | | | | | | | |
| County | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 136,878 | \$ - |
| Local | - | - | - | - | - | 260,918 | - |
| School | - | - | - | - | - | 988,480 | - |
| TOTALS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,386,276 | \$ - |

FULL-TIME EQUIVALENT JOBS
 CREATED AND RETAINED**:

| | | | | | | | |
|---|---|---|---|---|-----|-------|---|
| # FTEs before IDA status | 0 | 0 | 0 | 0 | 0 | 428 | 0 |
| Original Estimate of Jobs to be Created | 0 | 0 | 0 | 0 | 309 | 700 | 0 |
| Original Estimate of Jobs to be Retained | 0 | 0 | 0 | 0 | 0 | 428 | 0 |
| Current # of FTEs | 0 | 0 | 0 | 0 | 200 | 1,646 | 0 |
| # of FTE Construction Jobs During Fiscal Year | 0 | 0 | 0 | 0 | 46 | 0 | 0 |
| Net Employment Change | 0 | 0 | 0 | 0 | 200 | 1,218 | 0 |

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project occurred but the IDA was not involved.

**PARIS amounts may differ due to software constraints.

***Sales tax amounts were unavailable at the time of the audit.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2022**

| | | PROJECTS | | | | | | |
|-------------------------------------|-----------------------|-------------------|---------------------|---|-------------------|--------------------|------------------|--|
| | 13021803 | 13021201 | 130220113 | 13021502 | 13020801 | 13021303 | 13022103 | |
| | Hatfield Metal Fab | Health Quest | IBM Poughkeepsie | Jalei, LLC Hudson Valley Lighting | Marist College | Neptune Capital | North Cross | |
| Tax Exemptions: | | | | | | | | |
| Sales Tax | \$ 18,832 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 78,134 | |
| Real Property Tax** | - | 167,660 | 8,729,508 | 297,746 | - | 489,642 | - | |
| TOTALS | \$ 18,832 | \$ 167,660 | \$ 8,729,508 | \$ 297,746 | \$ - | \$ 489,642 | \$ 78,134 | |
| Payments in Lieu of Taxes (PILOTS): | | | | | | | | |
| County | \$ - | \$ 11,601 | \$ 357,099 | \$ 27,048 | \$ - | \$ 7,859 | \$ - | |
| Local | - | 74,400 | 1,552,357 | 46,872 | - | 51,199 | - | |
| School | - | 73,275 | 4,356,900 | 221,469 | - | 179,162 | - | |
| TOTALS | \$ - | \$ 159,276 | \$ 6,266,356 | \$ 295,389 | \$ - | \$ 238,220 | \$ - | |

**FULL-TIME EQUIVALENT JOBS
CREATED AND RETAINED**:**

| | | | | | | | |
|---|----|-------|--------|-----|-----|----|----|
| # FTEs before IDA status | 52 | 0 | 3,561 | 0 | 825 | 0 | 0 |
| Original Estimate of Jobs to be Created | 12 | 182 | 0 | 56 | 0 | 25 | 3 |
| Original Estimate of Jobs to be Retained | 52 | 0 | 3,561 | 0 | 0 | 0 | 0 |
| Current # of FTEs | 63 | 2,258 | 0 | 109 | 960 | 72 | 3 |
| # of FTE Construction Jobs During Fiscal Year | 14 | 0 | 0 | 0 | 0 | 0 | 28 |
| Net Employment Change | 11 | 2,258 | -3,561 | 109 | 135 | 72 | 3 |

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project occurred but the IDA was not involved.

**PARIS amounts may differ due to software constraints.

***Sales tax amounts were unavailable at the time of the audit.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2022**

PROJECTS

| | 13022201 One Dutchess Phase 3 | 13021401 Parker Hamilton | 13021901A Shoprite/ Hudson Heritage | 13022104 Rolling Frito-Lay | 13021804 T-Rex Bellefield | 13022004 USEF / Amazon | 13022003 Violet Estates |
|-------------------------------------|-------------------------------------|--------------------------------|---|----------------------------------|---------------------------------|------------------------------|-------------------------------|
| Tax Exemptions: | | | | | | | |
| Sales Tax | \$ 105,167 | \$ - | \$ - | \$ 1,678,486 | \$ 541,455 | \$ 1,349,874 | \$ 102,208 |
| Real Property Tax* | - | 59,370 | - | - | - | - | - |
| TOTALS | \$ 105,167 | \$ 59,370 | \$ - | \$ 1,678,486 | \$ 541,455 | \$ 1,349,874 | \$ 102,208 |
| Payments in Lieu of Taxes (PILOTS): | | | | | | | |
| County | \$ - | \$ 5,292 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local | - | 23,939 | - | - | - | - | - |
| School | - | 28,087 | - | - | - | - | - |
| TOTALS | \$ - | \$ 57,319 | \$ - | \$ - | \$ - | \$ - | \$ - |

**FULL-TIME EQUIVALENT JOBS
CREATED AND RETAINED**:**

| | | | | | | | |
|---|----|-----|---|----|----|-----|----|
| # FTEs before IDA status | 0 | 29 | 0 | 0 | 0 | 0 | 0 |
| Original Estimate of Jobs to be Created | 4 | 3 | 0 | 80 | 30 | 500 | 3 |
| Original Estimate of Jobs to be Retained | 0 | 29 | 0 | 0 | 0 | 0 | 0 |
| Current # of FTEs | 5 | 139 | 0 | 0 | 0 | 3 | 2 |
| # of FTE Construction Jobs During Fiscal Year | 27 | 0 | 0 | 9 | 36 | 148 | 21 |
| Net Employment Change | 5 | 110 | 0 | 0 | 0 | 3 | 2 |

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project occurred but the IDA was not involved.

**PARIS amounts may differ due to software constraints.

***Sales tax amounts were unavailable at the time of the audit.

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OTHER REPORTING REQUIRED by
GOVERNMENT AUDITING STANDARDS

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

Board of Directors
Dutchess County Industrial Development Agency
3 Neptune Road
Poughkeepsie, New York 12601

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 Dutchess County Industrial Development Agency (the “Agency”), a component unit of Dutchess County, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated March 9, 2022.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Newburgh, NY
March 9, 2022

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**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

A. Internal Control Findings

No internal control findings noted.

B. Compliance Findings

No compliance findings noted.

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