Dutchess County DCida Industrial Development Agency

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

NOTICE AND CONFIRMATION
FINANCE and AUDIT COMMITTEE MEETING
Wednesday, February 28, 2024
8:30 AM

DATE: February 23, 2024

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 **Wednesday, February 28, 2024** 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") Finance and Audit Committee Meeting scheduled for February 28, 2024 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/83916550773 or calling 1-929-436-2866 Meeting ID: 839 1655 0773. 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
   October 4, 2023
2. 2023 Audit
3. Old Business
4. New Business

Information Copy		
Sue Serino, DC Executive Will Truitt, 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

Th!nk DUTCHESS

Dutchess County DC ida Industrial Development Agency

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

FINANCE and AUDIT COMMITTEE MEETING

Wednesday, February 28, 2024
8:30 AM

AGENDA

1. Roll Call
2. Approval of Minutes
   October 4, 2023
3. 2023 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.

PLEASE TAKE NOTICE that the Dutchess County Industrial Development Agency (the "Agency") Finance and Audit Committee Meeting scheduled for February 28, 2024 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/83916550773 or calling 1-929-436-2866 Meeting ID: 839 1655 0773. The meeting will be recorded and will be posted to the Agency's website.

Th!nk DUTCHESS

MINUTES

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
Wednesday, October 4, 2023

Present: Kathy Bauer, Secretary/Treasurer
Jamie Piccone II

Unable to Attend: Don Sagliano

Also Present: Sarah Lee, Executive Director
Jane Denbaum, CFO
Jasmin Haylett, Office Administrator
Jim Beretta & Doreen Tignanelli (Members from the public)

On Wednesday, October 4, 2023, the Dutchess County Industrial Development Agency [DCIDA] Finance and Audit Committee meeting was called to order by Ms. Bauer at 8:05 AM. Present was Kathy Bauer and Jamie Piccone. Unable to attend was Don Sagliano. Quorum was established.

APPROVAL OF MINUTES
Ms. Bauer asked for a motion to approve the March 9, 2023, Finance and Audit Committee minutes.

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to approve the DCIDA March 9, 2023 Finance and Audit Committee minutes. Roll call vote was taken, all voted in favor and the motion was carried.

OLD BUSINESS
None

NEW BUSINESS
A. Review RFPs from Auditors
Ms. Bauer reported on the following:
- The list of auditors that responded to the RFP that was sent out
- Proposals were received from RBT, PKF O'Connor and Prager Metis
- RBT and PKF O'Connor has experience working with IDAs and Prager Metis works mainly with government entities

Discussion ensued with questions, responses, and comments.

Ms. Bauer asked for a motion to recommend RBT to the board as the auditor for the IDA for the next three years.

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to recommend RBT to the board as the auditor for the IDA for the next three years. Roll call vote was taken, all voted in favor and the motion was carried.

B. 2024 IDA Proposed Budget
Ms. Lee presented the 2023 IDA year-end estimate revenues and expenses and the 2024 IDA proposed budget revenues and expenses.

Discussion ensued with questions, responses, and comments.

Ms. Bauer asked for a motion to present the proposed 2024 IDA budget to the board for final approval.

A motion was made by Mr. Piccone, duly seconded by Ms. Bauer to present the proposed 2024 IDA budget to the board for final approval. Roll call vote was taken, all voted in favor and the motion was carried.

ADJOURNMENT
There being no further business on the agenda to discuss, the meeting was adjourned by Ms. Bauer at 8:29 AM.

Kathleen Bauer, Secretary/Treasurer Date

Meeting 10-04-2023
Approved _____
Certified _____

FINANCIAL REPORT
Audited
DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
DUTCHESS COUNTY, NEW YORK
December 31, 2023

Audited for:

Board of Directors
Dutchess County Industrial Development Agency

DRAFT

Audited by:

RBT CPAs, LLP
2678 South Road
Poughkeepsie, NY 12601
(845) 485-5510

TABLE OF CONTENTS

	Page
Independent Auditor's Report on the Financial Statements	1-3
Management's Discussion and Analysis (Unaudited)	4-6
Financial Statements:	
Statements of Net Position	7
Statements of Revenues, Expenses and Changes in Net Position	8
Statements of Cash Flows	9
Notes to the Financial Statements	10-12
Other Information:	
Schedule of Conduit Indebtedness	13
Schedule of Other Information	14-21
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*	22-23
Schedule of Findings	24

DRAFT

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 (the "Agency"), a component unit of Dutchess County, New York, as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022 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 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* ("*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 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 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.

DRAFT

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 4-6 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 13-21. 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 February 19, 2024 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.

Poughkeepsie, NY
February 19, 2024

DRAFT

DRAFT

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2023 and 2022, 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 $3,659,230 and $2,505,100 at December 31, 2023 and 2022, respectively.

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

SUMMARY OF NET POSITION

	2023	2022	$ Change	% Change
Assets				
Current and Other Assets	**$ 3,261,195**	$ 2,551,716	$ 709,479	27.80%
Non-Current Assets	**2,439,235**	1,780,566	658,669	36.99%
Total Assets	**5,700,430**	4,332,282	1,368,148	31.58%
Liabilities				
Current and Other Liabilities	**2,041,200**	1,827,182	214,018	11.71%
Total Liabilities	**2,041,200**	1,827,182	214,018	11.71%
Net Position				
Unrestricted	**3,659,230**	2,505,100	1,154,130	46.07%
Total Net Position	**$ 3,659,230**	$ 2,505,100	$ 1,154,130	46.07%

FINANCIAL OPERATIONS HIGHLIGHTS

There was an increase in net position in 2023 of $1,154,130, due to an increase in administrative and closing fees. There was a decrease in net position in 2022 of $381,172, due to a decrease in administrative and closing fees.

Administrative and closing fee revenues increased by $1,481,118 in 2023, as noted above, this was primarily the result of timing and an increase in the sizes of new projects.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2023	2022	$ Change	% Change
Revenues:				
Administrative and Closing Fees	**$ 1,731,343**	$ 250,225	$ 1,481,118	591.91%
Interest Earnings	**98,735**	22,130	76,605	346.16%
Total Revenues	**1,830,078**	272,355	1,557,723	571.95%
Expenses:				
Projects and Professional Service Contracts	**659,599**	637,186	22,413	3.52%
Administrative Expenses	**16,349**	16,341	8	0.05%
Total Expenses	**675,948**	653,527	22,421	3.43%
Change in Net Position	**$ 1,154,130**	$ (381,172)	$ 1,535,302	402.78%

DRAFT

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

The Dutchess County Industrial Development Agency (DCIDA) was created to further economic development in Dutchess County through the issuance of bonds to facilitate the building of capital projects with the resultant construction jobs and permanent follow on employment.

DCIDA works to promote economic development, capital investment and job creation in Dutchess County through conduit financing in the form of taxable and tax-exempt bonding for eligible projects and offering Sales Tax Exemptions, Mortgage Recording Tax Exemption and Payment in Lieu of Tax (PILOT) Incentives.

In 2023, the DCIDA worked with Think Dutchess to encourage companies to invest capital in projects that create jobs and increase the county's tax base, thereby improving the quality of life and continue to recover from the negative economic impacts from the coronavirus pandemic for Dutchess County residents.

During the January – December 31, 2023 fiscal year, the Dutchess County Industrial Development Agency held 22 public meetings. These meetings included 11 regular board meetings, 1 special meetings, 1 annual meeting, 2 committee meetings, and 7 public hearings.

The 2023 accomplishments for the agency are as follows:

- Mirbeau Beacon, LLC was approved for tax exemptions for an approximately $73,098,000 project for construction and re-development at the former Howland Estate in Beacon to construct a 85-room spa resort.
    - Create – 100 Permanent FTE jobs
    - Create – 300 Construction jobs
    - Incentive – Sales Tax Exemption, Mortgage Tax Exemption and a PILOT

- Tompkins Terrace was approved for tax exemptions for an approximately $45,270,313 project for renovation and modernization of an existing 193-unit rental subsidized housing development in Beacon.
    - Retain – 5 Permanent FTE jobs
    - Create – 35 Construction jobs
    - Incentive – Sales Tax Exemption

- T-Rex Hyde Park Owner, LLC was approved for tax exemptions for an approximately $407,949,572 project for construction and development of 175,000 square feet of commercial space, a welcome center, a community center and 344 rental apartments in Hyde Park.
    - Create – 154 Permanent FTE jobs
    - Create – 300 Construction jobs
    - Incentive – Sales Tax Exemption, Mortgage Tax Exemption and a PILOT

- Hudson Two Cross was approved for tax exemptions for an approximately $10,384,302 project for construction of a 24,000 square foot mixed use project consisting of 4,900 commercial space on the first floor and 19,000 square feet of affordable housing on the upper floors.
    - Create – 10 Permanent FTE jobs
    - Create – 40 Construction jobs
    - Incentive – Sales Tax Exemption and Mortgage Tax Exemption

CURRENTLY KNOWN FACTS, DECISIONS, AND CONDITIONS – (CONTINUED)

In 2023, the IDA Board also approved the following amendments to existing projects.

- The Agency approved a supplemental resolution for T-Rex Hyde Park Owner to extend the Completion Date and Sales Tax benefit expiration date to December 31, 2024.

- MHTC Development, LLC is currently constructing a new town center in the Town of Poughkeepsie to be known as Eastdale Village. The development is designed to meet the goals of the Town as outlined in the Town Plan and Zoning code. The mixed use development will include approximately 390 rental residential units and approximately 140,000 sf of mixed use commercial spaces including Medical Offices, Professional Offices, General Offices, Personal Service Businesses, Child Care facilities, Food Services and General Retail. Necessary infrastructure improvements of water, sewer, storm water, electric, gas to the site, as well as required improvements to the State Highway system for access to the site will also be constructed as part of the project. The Agency approved an amendment for the re-allocation of previously approved benefits to related entities.
    - Related entities:
        - 942-944 Dutchess Turnpike, LLC
        - 23 Eastdale Avenue, LLC
        - 32 Eastdale, LLC

DRAFT

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

As of December 31	2023	2022
ASSETS		
Current Assets:		
Cash and Cash Equivalents	**$ 2,815,129**	$ 2,530,141
Accounts Receivable - Current	**442,308**	19,025
Prepaid Expenses	**3,758**	2,550
Total Current Assets	**3,261,195**	2,551,716
Non-Current Assets:		
Cricket Valley Escrow Deposit	**1,835,548**	1,780,566
Long-Term Receivables - Net of Current Portion	**603,687**	-
Total Non-Current Assets	**2,439,235**	1,780,566
TOTAL ASSETS	**5,700,430**	4,332,282
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	**205,652**	45,615
Deferred Income	**-**	1,001
Total Current Liabilities	**205,652**	46,616
Non-Current Liabilities:		
Cricket Valley Escrow Liability	**1,835,548**	1,780,566
Total Non-Current Liabilities	**1,835,548**	1,780,566
TOTAL LIABILITIES	**2,041,200**	1,827,182
NET POSITION		
Unrestricted	**3,659,230**	2,505,100
TOTAL NET POSITION	**$ 3,659,230**	$ 2,505,100

DRAFT

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

For the Years Ended December 31	2023	2022
Operating Revenues:		
Administrative and Closing Fees	$ 1,731,343	$ 250,225
Total Operating Revenues	1,731,343	250,225
Operating Expenses:		
Projects and Professional Service Contracts	659,599	637,186
Administrative Expenses	16,349	16,341
Total Operating Expenses	675,948	653,527
Operating Income/(Loss)	1,055,395	(403,302)
Non-Operating Revenues:		
Interest Income	98,735	22,130
Net Non-Operating Revenues	98,735	22,130
Change in Net Position	1,154,130	(381,172)
Net Position, Beginning	2,505,100	2,886,272
Net Position, Ending	$ 3,659,230	$ 2,505,100

DRAFT

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

For the Years Ended December 31	2023	2022
Cash Flows from Operating Activities		
Receipts From Providing Services	$ 703,372	$ 512,043
Payments to Vendors	(517,119)	(920,886)
Net Cash Provided by Operating Activities	186,253	(408,843)
Cash Flows from Investing Activities		
Interest income	98,735	22,130
Net Cash Provided by Investing Activities	98,735	22,130
Net Increase/(Decrease) in Cash and Cash Equivalents	284,988	(386,713)
Cash and Cash Equivalents - Beginning	2,530,141	2,916,854
Cash and Cash Equivalents - Ending	$ 2,815,129	$ 2,530,141
Reconciliation of Operating Income to Net Cash Provided by/ (Used in) Operating Activities		
Operating Income/(Loss)	$ 1,055,395	$ (403,302)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(423,283)	260,817
Prepaid Expenses	(1,208)	(581)
Long-Term Receivables	(603,687)	-
Accounts Payable	160,037	(266,778)
Deferred Income	(1,001)	1,001
Net Cash Provided by/(Used in) Operating Activities	$ 186,253	$ (408,843)

DRAFT

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.

DRAFT

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, 2023 and 2022.

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, 2023 through February 19, 2024, the date on which the financial statements were available for issuance.

II. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At December 31, 2023 and 2022, accounts payable and accrued liabilities consisted primarily of professional service fees, refund of overpayments and service contract expenses incurred of $205,652 and $45,615, 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, 2023 and 2022, the bonds have an aggregate outstanding principal amount payable of $19,044,379 and $19,774,290, 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.

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, 2023 and 2022, respectively. Liabilities to DCLDC for these service contracts totaled $3,844 and $102 for both years ended December 31, 2023 and 2022, respectively. Receivables from DCLDC for these service contracts totaled $500 and $0 for both years ended December 31, 2023 and 2022, respectively.

V. NEW REPORTING STANDARDS

The GASB has issued Statements 99 through 102, with varying implementation dates, none of which are expected to have any substantive effects on the Agency's net position.

DRAFT

DRAFT

OTHER INFORMATION

DRAFT

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF CONDUIT INDEBTEDNESS
DECEMBER 31, 2023

Project Name	Original Issue Amount	Original Issue Date	Interest Rate	Outstanding Balance December 31, 2022	New Issue 2023	Principal Payments 2023	Outstanding Balance December 31, 2023	Final Maturity Date
Davies South Terrace	8,600,000	12/07	5.95%	$ 6,554,290	$ -	$ (104,911)	$ 6,449,379	6/49
Marist College	20,000,000	1/08	Variable	13,220,000	-	(625,000)	12,595,000	7/38
Totals	**$ 28,600,000**			**$ 19,774,290**	$ -	**$ (729,911)**	**$ 19,044,379**	

DRAFT

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2023

	PROJECTS						
	13022001 23-28 Creek Drive	13021805 165 Overlook Road LLC	13022102 AP Packaging	13020706A Arbor Ridge Brookmeade, Inc.	13022002 Arthur May Redevelopment LLC	13021807 Asahishuzo Inernational Co., Ltd.	13021304 Vision Hotel
Tax Exemptions:							
Sales Tax	$ -	$ -	$ -	$ -	***	***	$ -
Real Property Tax*	65,954	927,976	215,992	290,031	-	-	812,345
TOTALS	$ 65,954	$ 927,976	$ 215,992	$ 290,031	$ -	$ -	$ 812,345
Payments in Lieu of Taxes (PILOTS):							
County	$ -	$ 32,915	$ -	$ 54,517	$ -	$ -	$ 9,153
Local	-	172,760	-	31,804	-	-	62,818
School	36,133	349,522	149,992	27,709	-	-	66,029
TOTALS	$ 36,133	$ 555,197	$ 149,992	$ 114,030	$ -	$ -	$ 138,000
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**							
# FTEs before IDA status	0	0	0	0	0	0	30
Original Estimate of Jobs to be Created	87	4	105	24	12	7	0
Original Estimate of Jobs to be Retained	0	0	0	0	0	0	30
Current # of FTEs	0	5	123	0	0	25	31
# of FTE Construction Jobs During Fiscal Year	0	0	0	0	22	2	0
Net Employment Change	0	5	123	0	0	25	1

DRAFT

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project ocurred 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, 2023

	PROJECTS						
	13021501 Built Parcel 3, 4 and 6	13022203 CanAm	13021603 Cricket Valley Energy Center	13020709A Davies Southeast Terrace	13022101 Fox Run	13021602 Eastdale MHTC	13021602-A Eastdale Village Phase I
Tax Exemptions:							
Sales Tax	***	$ 1,410.736	$ -	$ -	$ -	***	$ -
Real Property Tax*	189,637	-	36,870,623	412,704	-	-	703,694
TOTALS	$ 189,637	$ 1,410,736	$ 36,870,623	$ 412,704	$ -	$ -	$ 703,694
Payments in Lieu of Taxes (PILOTS):							
County	$ 6,243	$ -	$ 385.837	$ 17,962	$ -	$ -	$ 7,663
Local	43,823	-	530.968	80,679	-	-	123,364
School	69,026	-	2,622,982	130,001	-	-	120,172
TOTALS	$ 119,092	$ -	$ 3,539,787	$ 228,642	$ -	$ -	$ 251,199
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**						****	
# FTEs before IDA status	21	0	0	3	0	0	0
Original Estimate of Jobs to be Created	39	100	26	0	2	31	0
Original Estimate of Jobs to be Retained	21	0	0	3	0	0	0
Current # of FTEs	0	0	26	3	0	0	0
# of FTE Construction Jobs During Fiscal Year	0	99	0	0	0	35	0
Net Employment Change	-21	0	26	0	0	0	0

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project ocurred 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 through 13021602-P.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2023

	PROJECTS						
	13021602-B Eastdale Village Phase II	**13021602-C Eastdale Village Phase I-A**	**13021602-D Eastdale Village Rossi**	**13021602-E Eastdale Village 45 Eastdale Ave**	**13021602-F Eastdale Village 27 Eastdale Ave**	**13021602-G Eastdale Village 31-35 Eastdale Ave**	**13021602-H Eastdale Village 43 Eastdale Ave**
Tax Exemptions:							
Sales Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Real Property Tax*	169,497	468,966	44,952	66,549	15,941	40,189	21,624
TOTALS	$ 169,497	$ 468,966	$ 44,952	$ 66,549	$ 15,941	$ 40,189	$ 21,624
Payments in Lieu of Taxes (PILOTS):							
County	$ 2,868	$ 6,699	$ 630	$ 1,271	$ -	$ 698	$ 427
Local	41,033	95,140	9,429	16,263	-	9,943	4,988
School	28,243	85,824	7,583	13,007	4,544	6,637	4,851
TOTALS	$ 72,144	$ 187,663	$ 17,642	$ 30,541	$ 4,544	$ 17,278	$ 10,266
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**							
# FTEs before IDA status	0	0	0	0	0	0	0
Original Estimate of Jobs to be Created	0	0	0	0	0	0	0
Original Estimate of Jobs to be Retained	0	0	0	0	0	0	0
Current # of FTEs	0	0	0	0	0	0	0
# of FTE Construction Jobs During Fiscal Year	0	0	0	0	0	0	0
Net Employment Change	0	0	0	0	0	0	0

DRAFT

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project ocurred 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, 2023

	PROJECTS						
	13021602-I Eastdale Village 39 Eastdale Ave	**13021602-J Eastdale Village Residential III**	**13021602-K Eastdale Village 38 Eastdale Ave**	**13021602-L Eastdale Village North Cottages**	**13021602-M Eastdale Village 36 Eastdale Ave**	**13021602-N Eastdale Village 5 Eastdale Ave**	**13021602-O Eastdale Village 7-19 Eastdale Ave**
Tax Exemptions:							
Sales Tax	$ -	$ -	$ -	$ -	$ -	$ -	***
Real Property Tax*	14,115	488,697	31,951	19,851	14,056	24,854	-
TOTALS	$ 14,115	$ 488,697	$ 31,951	$ 19,851	$ 14,056	$ 24,854	$ -
Payments in Lieu of Taxes (PILOTS):							
County	$ 260	$ -	$ -	$ 601	$ -	$ -	$ -
Local	3,468	-	-	5,846	-	-	-
School	2,585	138,556	9,929	5,786	4,296	6,507	-
TOTALS	$ 6,313	$ 138,556	$ 9,929	$ 12,233	$ 4,296	$ 6,507	$ -
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**							
# FTEs before IDA status	0	0	0	0	0	0	0
Original Estimate of Jobs to be Created	0	0	0	0	0	0	0
Original Estimate of Jobs to be Retained	0	0	0	0	0	0	0
Current # of FTEs	0	0	0	0	0	0	0
# of FTE Construction Jobs During Fiscal Year	0	0	0	0	0	0	0
Net Employment Change	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 ocurred 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.

DRAFT

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2023

	PROJECTS						
	13021602-P Eastdale Village Residential IV	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	13021602-U Eastdale Village 23 Eastdale Ave	13021602-V Eastdale Village 32 Eastdale Ave
Tax Exemptions:							
Sales Tax	***	***	***	***	***	***	***
Real Property Tax*	-	14,824	13,314	-	-	-	-
TOTALS	$ -	$ 14,824	$ 13,314	$ -	$ -	$ -	$ -
Payments in Lieu of Taxes (PILOTS):							
County	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local	-	-	-	-	-	-	-
School	-	6,233	4,060	-	-	-	-
TOTALS	$ -	$ 6,233	$ 4,060	$ -	$ -	$ -	$ -
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**							
# FTEs before IDA status	0	0	0	0	0	0	0
Original Estimate of Jobs to be Created	0	2	2	3	20	2	10
Original Estimate of Jobs to be Retained	0	0	0	0	0	0	0
Current # of FTEs	0	7	7	0	32	2	0
# of FTE Construction Jobs During Fiscal Year	0	0	0	0	0	0	0
Net Employment Change	0	7	7	0	32	2	0

DRAFT

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project ocurred 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, 2023

	PROJECTS						
	13021901 EFG/Saber Hudson Heritage	13021406 GPSDC (GAP) New York, Inc.	13022105 GPSDC (GAP) New York, Inc.	13021803 Hatfield Metal Fab	13021201 Health Quest	130220113 IBM Poughkeepsie	13021502 Jaleli, LLC Hudson Valley Lighting
Tax Exemptions:							
Sales Tax	***	***	$ 42,965	$ 15,511	$ -	$ -	$ -
Real Property Tax*	-	5,284,550	-	-	170,105	7,928,502	303,731
TOTALS	$ -	$ 5,284,550	$ 42,965	$ 15,511	$ 170,105	$ 7,928,502	$ 303,731
Payments in Lieu of Taxes (PILOTS):							
County	$ -	$ 126,048	$ -	$ -	$ 10,692	$ 357,099	$ 24,848
Local	-	255,437	-	-	73,381	1,552,357	49,230
School	-	837,035	-	-	86,032	4,356,900	226,211
TOTALS	$ -	$ 1,218,520	$ -	$ -	$ 170,105	$ 6,266,356	$ 300,289
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**							
# FTEs before IDA status	0	428	0	52	0	3,561	0
Original Estimate of Jobs to be Created	309	700	0	12	182	0	56
Original Estimate of Jobs to be Retained	0	428	0	52	0	3,561	0
Current # of FTEs	0	1,387	0	61	2,316	2,791	0
# of FTE Construction Jobs During Fiscal Year	0	0	0	24	0	0	0
Net Employment Change	0	959	0	9	2,316	-770	0

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project ocurred 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, 2023

	PROJECTS						
	13020801 Marist College	13021303 Neptune Capital	13022103 North Cross	13022201 One Dutchess Phase 3	13021401 Parker Hamilton	13021901A Shoprite/ Hudson Heritage	13022104 Rolling Frito-Lay
Tax Exemptions:							
Sales Tax	$ -	$ -	***	***	***	***	$ 1,281,405
Real Property Tax*	-	413,349	-	-	54,624	-	-
TOTALS	$ -	$ 413,349	$ -	$ -	$ 54,624	$ -	$ 1,281,405
Payments in Lieu of Taxes (PILOTS):							
County	$ -	$ 7,777	$ -	$ -	$ 5,292	$ -	$ -
Local	-	54,591	-	-	23,939	-	-
School	-	157,242	-	-	25,383	-	-
TOTALS	$ -	$ 219,610	$ -	$ -	$ 54,614	$ -	$ -
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**							
# FTEs before IDA status	825	0	0	0	29	0	0
Original Estimate of Jobs to be Created	0	25	3	4	3	0	80
Original Estimate of Jobs to be Retained	825	0	0	0	29	0	0
Current # of FTEs	1,127	139	5	5	0	0	0
# of FTE Construction Jobs During Fiscal Year	0	0	20	48	0	0	64
Net Employment Change	302	139	5	5	-29	0	0

DRAFT

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project ocurred 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, 2023

	PROJECTS				
	13021804 T-Rex Bellefield	13022304 T-Rex Bellefield-Phase2	13022301 Tompkins Terrace	13022004 USEF / Amazon	13022003 Violet Estates
Tax Exemptions:					
Sales Tax	***	***	***	***	***
Real Property Tax*	-	-	-	1,172,692	250,331
TOTALS	$ -	$ -	$ -	$ 1,172,692	$ 250,331
Payments in Lieu of Taxes (PILOTS):					
County	$ -	$ -	$ -	$ -	$ -
Local	-	-	-	-	-
School	-	-	-	213,165	28,224
TOTALS	$ -	$ -	$ -	$ 213,165	$ 28,224
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED:**					
# FTEs before IDA status	0	0	9	0	0
Original Estimate of Jobs to be Created	30	5	0	500	3
Original Estimate of Jobs to be Retained	0	0	9	0	0
Current # of FTEs	23	0	9	3,012	2
# of FTE Construction Jobs During Fiscal Year	76	0	10	23	182
Net Employment Change	23	0	0	3,012	2

* Real Property Tax Exemptions indicate the total amount for which a project would have been liable if the project ocurred 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.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

DRAFT

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, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 19, 2024.

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.

Poughkeepsie, NY
February 19, 2024

DRAFT

DRAFT

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

A. Internal Control Findings

No internal control findings noted.

B. Compliance Findings

No compliance findings noted.

DRAFT