MINUTES

Dutchess County Local Development Corporation

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
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FINANCE and AUDIT COMMITTEE MEETING

Wednesday, March 4, 2026

Present: Jamie Piccone II, *Vice Chairman/Secretary*
Mark Doyle, *Chairman*
Brian Berryann

Also Present: Robin Mack, CEO
Jane Denbaum, CFO
Jasmin Haylett, Office Administrator
Peter Kollmar, Compliance Associate
Shannon Mannese (RBT)

On Wednesday, March 4, 2026 the Dutchess County Local Development Corporation [DCLDC] Finance and Audit Committee meeting was called to order at 10:40 AM. Quorum was established with the following members: Jamie Piccone II, Mark Doyle and Brian Berryann.

APPROVAL OF MINUTES

A motion was made by Mr. Doyle, duly seconded by Mr. Piccone to approve the DCLDC September 29, 2025 Finance and Audit Committee Minutes. The roll call was taken; all voted in favor, and the motion was passed.

OLD BUSINESS

None

NEW BUSINESS

A. 2025 Audit

Ms. Mannese from RBT CPAs proceeded to highlight the following from the 2025 LDC audit:

- Independent Auditor's Report
  The LDC received a clean opinion
- Summary of the Financial Position
  - Assets, liabilities and net position
  - Revenues, expenses and change in net position
- Notes to the Financial Statements
- Summary of Accomplishments and Projects
- Schedule of Conduit Indebtedness
- Schedule of Project Information
- Government Auditing Standards
- Schedule of Findings
  There are no internal control findings, no compliance findings, and no management suggestions

Questions, responses and comments ensued.

A motion was made by Mr. Piccone, duly seconded by Mr. Berryann to present the 2025 LDC audit to the board at the next board meeting for final approval. The roll call was taken; all voted in favor and the motion was passed.

ADJOURNMENT

There being no further business on the agenda to discuss, the meeting adjourned at 10:47 AM.

TL J. LeCount — 10/14/26

Thomas J. LeCount, Secretary — Date

Meeting	03/04/2026
Approved	09/22/2026
Certified	09/22/2026

FINANCIAL REPORT
Audited
DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
DUTCHESS COUNTY, NEW YORK
December 31, 2025

Audited for:

Board of Directors
Dutchess County Local Development Corporation

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Audited by:

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

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dutchess County Local Development Corporation
3 Neptune Road, Suite A21
Poughkeepsie, New York 12601

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Dutchess County Local Development Corporation (the "Corporation"), a component unit of Dutchess County, New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation'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 Corporation as of December 31, 2025 and 2024, 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.

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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 Corporation, 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 Corporation'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Corporation'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 Corporation'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.

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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 15-17. The other information is comprised 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 12, 2026, on our consideration of the Corporation'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 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 the Corporation's internal control over financial reporting and compliance.

Poughkeepsie, NY
March 12, 2026

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DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
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 and overview to the financial activities and performance of the Dutchess County Local Development Corporation (the "Corporation") for the years ended December 31, 2025 and 2024, as mandated by GASB 34. This information should be reviewed in conjunction with the Corporation's audited financial statements.

The Corporation was established in 2010 to provide the authority to issue tax exempt bonds for not-for-profit organizations.

FINANCIAL POSITION SUMMARY

Net position may serve as an indicator of the Corporation's financial position. The Corporation's net position was $2,625,429 and $2,857,881 at December 31, 2025 and 2024, respectively.

Right-to-Use Assets:

The Corporation's right-to-use assets as of December 31, 2025 and December 31, 2024 totaled $414,615 and $492,355 (net of accumulated amortization), respectively. These assets include office space.

Lease Obligations:

The Corporation's lease obligations for its governmental activities as of December 31, 2025 and December 31, 2024 totaled $498,216 and $570,292, respectively. These obligations represent the present value of the periodic lease payments for right-to-use assets discounted at the Corporation's cost of borrowing.

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

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SUMMARY OF NET POSITION

	2025	2024	$ Change	% Change
Assets				
Current Assets	**$ 2,751,189**	$ 2,991,162	$ (239,973)	-8.02%
Non-Current Assets	**428,155**	508,981	(80,826)	-15.88%
Total Assets	**3,179,344**	3,500,143	(320,799)	-9.17%
Liabilities and Net Position				
Current Liabilities	**133,978**	144,046	(10,068)	-6.99%
Non-Current Liabilities	**419,937**	498,216	(78,279)	-15.71%
Total Liabilities	**553,915**	642,262	(88,347)	-13.76%
Net Position				
Net Investment in Capital Assets	**(70,061)**	(61,311)	(8,750)	-14.27%
Unrestricted	**2,695,490**	2,919,192	(223,702)	-7.66%
Total Net Position	**$ 2,625,429**	$ 2,857,881	$ (232,452)	-8.13%

FINANCIAL OPERATIONS HIGHLIGHTS

There was a decrease in net position of $232,452 in 2025 due to a decrease in service contract revenue.

Administrative and Closing Fees increased by $193,468 in 2025. This was primarily due to an increase in the issuance of revenue bonds during 2025. Service Contract revenue decreased by $215,622 in 2025. This was primarily the result of a decrease in the Corporation's Service Contract revenue received from Dutchess County. Service Contract revenue is determined by the County through its annual budget process.

Administrative expenses decreased by $45,716 in 2025. This was primarily the result of lower dues and subscription costs, as well as reduced payroll expenses following an employee's departure in April 2025. Professional Fees and Service Contracts expenses decreased by $53,403 in 2025. This change was primarily attributable to the engagement of a new marketing firm, which resulted in lower monthly professional fees.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2025	2024	$ Change	% Change
Operating Revenues:				
Administrative and Closing Fees	$ 312,391	$ 118,923	$ 193,468	162.68%
Marketing Revenue	80,036	82,100	(2,064)	-2.51%
Service Contract Revenue	497,281	712,903	(215,622)	-30.25%
Total Operating Revenues	889,708	913,926	(24,218)	-2.65%
Operating Expenses:				
Administrative Expenses	882,535	928,251	(45,716)	-4.92%
Professional Fees and Service Contracts	235,214	288,617	(53,403)	-18.50%
Depreciation Expense	3,086	3,371	(285)	-8.45%
Amortization of Lease Expense	77,740	77,740	-	0.00%
Total Operating Expenses	1,198,575	1,297,979	(99,404)	-7.66%
Operating Income/(Loss)	(308,867)	(384,053)	75,186	-19.58%
Non-Operating Revenues (Expenses):				
Interest Income	99,941	129,036	(29,095)	-22.55%
Interest Expense	(23,526)	(26,594)	3,068	11.54%
Net Non-Operating Revenues	76,415	102,442	(26,027)	-25.41%
Change in Net Position	$ (232,452)	$ (281,611)	$ 49,159	-17.46%

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FINANCIAL STATEMENTS

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

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Corporation is a component unit of Dutchess County created by the Dutchess County government under the New York Not-For-Profit Corporation Law 2010 to promote economic development and job creation in Dutchess County. The Corporation is a public authority that works to retain, expand and attract businesses through public private partnerships, leveraging funding and support Dutchess County companies and entrepreneurs, thereby improving the quality of life for Dutchess County residents.

The Corporation's benefits include tax or tax-exempt bond financing for eligible projects as well as lower interest rates than conventional financing.

In 2025 the Corporation worked with companies and non-profits to invest capital in projects that create jobs, thereby improving the quality of life for Dutchess County residents.

The 2025 accomplishments for the corporation are as follows:

During the January – December 31, 2025, fiscal year, the Corporation conducted 16 public meetings. These meetings included 11 regular board meetings, 1 annual meeting, 2 committee meetings, and 2 public hearings.

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

At the Corporation's February April 9, 2025, regular board meeting, the Final Resolution authorizing the Issuance of its Tax-Exempt Revenue Bonds Series 2025 for the benefit of Marist Universite was approved. The bonds were issued to refund the Series 2015A bonds issued by the Dutchess County Local Development Corp. in the original aggregate principal amount of $80,885,000 for the purposes of financing construction, installation, equipping, and furnishing of a Science and Allied Health Building and student dormitory; renovation, installation, furnishing, equipping and improving other on campus facilities. The maximum aggregate principal amount presently estimated to be $70,000,000 but not to exceed $75,000,000 and the project will retain 1,173 FTE jobs.

At the Corporation's June 4, 2025, regular board meeting, the Final Resolution authorizing the Issuance of its Tax-Exempt Revenue Bonds Series for the benefit of Culinary Institute of America was approved. The bonds will be used to refund DASNY Series 2013 bonds. There will be no new construction. The maximum aggregate principal amount presently estimated to be $17,500,000 but not to exceed $19,000,000 and the project will retain 517 FTE jobs.

In addition to the tax-exempt bond financing the Corporation doing business as Think Dutchess also provided the following services:

- Technical Assistance – 101 businesses
- Business Referrals – 256 businesses
- Site Visits – 68
- Request for Information from businesses interested in locating to Dutchess County – 52
- Attracted a new business – 3
- Provided entrepreneur/small business support through direct programming – 82 businesses

In addition to the above services Think Dutchess hosted one business networking event in 2025.

- Business Excellence Awards

Think Dutchess also did Economic Development Marketing for the County which resulted in robust social media engagement, and flat year to year visits to the Corporation's website.

We wish to report a subsequent event affecting Agency operations. On March 31, 2025, former Chief Executive Officer ("CEO") Sarah Lee stepped down from her position. Ms. Lee continued to support the Agency on an interim basis while the Board conducted a search for her successor. Robin D. Mack assumed the role of CEO on November 1, 2025, bringing more than five years of relevant leadership experience.

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DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF NET POSITION

As of December 31	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	**$ 2,610,254**	$ 2,802,580
Accounts Receivable	**18,750**	15,600
Prepaid Expenses	**33,084**	27,300
Security Deposits	**15,612**	15,571
Service Contract and Marketing Fee Receivable	**73,489**	130,111
Total Current Assets	**2,751,189**	2,991,162
Non-Current Assets:		
Capital Assets, Net of Accumulated Depreciation of $110,963 and $110,502, respectively (Note II)	**13,540**	16,626
Intangible Right-to-Use Asset, Net of Accumulated Amortization of $388,700 and $310,960, respectively (Note II)	**414,615**	492,355
Total Non-Current Assets	**428,155**	508,981
TOTAL ASSETS	**3,179,344**	3,500,143
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	**55,699**	71,970
Lease Liability, Current Portion (Note III)	**78,279**	72,076
Total Current Liabilities	**133,978**	144,046
Long-Term Liabilities:		
Lease Liability, Net of Current Portion (Note III)	**419,937**	498,216
TOTAL LIABILITIES	**553,915**	642,262
NET POSITION		
Net Investment in Capital Assets	**(70,061)**	(61,311)
Unrestricted	**2,695,490**	2,919,192
TOTAL NET POSITION	**$ 2,625,429**	$ 2,857,881

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See Notes to the Financial Statements

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended December 31	2025	2024
Operating Revenues:		
Administrative and Closing Fees	$ 312,391	$ 118,923
Marketing Revenue	80,036	82,100
Service Contract Revenue (Note IV)	497,281	712,903
Total Operating Revenues	889,708	913,926
Operating Expenses:		
Advertising and Marketing	113,941	107,201
Dues and Subscriptions	25,353	49,706
Employee Training	1,210	924
Equipment	-	4,985
Insurance	4,349	4,305
Miscellaneous	3,314	760
Office Expense	5,511	5,158
Payroll	496,363	518,390
Payroll - Benefits	154,328	151,939
Payroll - Taxes	44,720	46,947
Professional Fees and Service Contracts	235,214	288,617
Occupancy	4,155	3,857
Telephone	7,461	7,725
Travel	21,830	26,354
Amortization of Lease Expense	77,740	77,740
Depreciation Expense	3,086	3,371
Total Operating Expenses	1,198,575	1,297,979
Operating (Loss)	(308,867)	(384,053)
Non-Operating Revenues (Expenses):		
Interest Income	99,941	129,036
Interest Expense	(23,526)	(26,594)
Net Non-Operating Revenue	76,415	102,442
Change in Net Position	(232,452)	(281,611)
Net Position - Beginning	2,857,881	3,139,492
Net Position - Ending	$ 2,625,429	$ 2,857,881

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See Notes to the Financial Statements

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
DUTCHESS COUNTY, NEW YORK
STATEMENTS OF CASH FLOWS

For the Years Ended December 31	2025	2024
Cash Flows from Operating Activities		
Receipts from Providing Services	**$ 943,180**	$ 921,833
Payments to Contractors	**(483,784)**	(554,384)
Payments to Employees and Benefits	**(656,061)**	(679,700)
Net Cash (Used in) Operating Activities	**(196,665)**	(312,251)
Cash Flows from Capital and Related Financing Activities:		
Lease Principal Payments	**(72,076)**	(66,223)
Lease Interest Payments	**(23,526)**	(26,594)
Net Cash (Used in) Capital Financing Activities	**(95,602)**	(92,817)
Cash Flows from Investing Activities		
Interest Income	**99,941**	129,036
Net Cash Provided by Investing Activities	**99,941**	129,036
Net (Decrease) in Cash and Cash Equivalents	**(192,326)**	(276,032)
Cash and Cash Equivalents - Beginning	**2,802,580**	3,078,612
Cash and Cash Equivalents - Ending	**$ 2,610,254**	$ 2,802,580
Reconciliation of Operating Income to Net Cash (Used in) Operating Activities		
Operating (Loss)	**$ (308,867)**	$ (384,053)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	**3,086**	3,371
Amortization	**77,740**	77,740
Changes in Operating Assets and Liabilities:		
Accounts Receivable	**(3,150)**	(12,250)
Prepaid Expenses	**(5,784)**	(10,580)
Security Deposits	**(41)**	(560)
Service Contract and Marketing Fee Receivable	**56,622**	20,157
Accounts Payable and Accrued Liabilities	**(16,271)**	(6,076)
Net Cash (Used in) Operating Activities	**$ (196,665)**	$ (312,251)

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See Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The Dutchess County Local Development Corporation (the "Corporation") is a public benefit corporation established in 2010 under section 1411 of the New York not-for profit corporation law to act as an "on behalf of" issuer of conduit tax exempt bonds.

In January 2008, civic facility legislation expired and Industrial Development Agencies no longer had the authority to issue tax exempt bonds or provide other financial assistance to 501(c)(3) organizations. The Corporation was established to address the capital needs of these organizations.

The Corporation's function is to promote economic development via the issuance of industrial revenue bonds and other means. The Corporation reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The Corporation receives fees from applicants and closing fees from those accepted for industrial revenue bond financing.

The Corporation also provides marketing services, economic development services, and administrative services through several service contracts.

B. The Reporting Entity

The Corporation is considered a component unit of the financial reporting entity known as Dutchess County, New York (the "County"). 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, as amended "*The Financial Reporting Entity*". Component units are legally separate entities for which the County of Dutchess, New York, is financially accountable. The Dutchess County legislature appoints all of the Corporation's Board Members. This level of control meets the criteria for financial accountability as defined by GASB.

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C. Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles ("GAAP"), as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under standards set by GASB, the Corporation 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 Corporation 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 Corporation has adopted an investment policy in accordance with public authority law which is re-affirmed annually. Such policy defines the Corporation's investment objectives, authorization and collateralization procedures and monitoring of compliance with stated policies. As described below, the Corporation is in compliance with such policies.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Cash and Cash Equivalents (Continued)

Corporation monies are deposited in FDIC insured commercial banks or trust companies located within the State. The Corporation is authorized to use demand deposit, time and money market savings accounts, and certificates of deposit. The Corporation's cash balances over FDIC coverage were fully collateralized with an irrevocable letter of credit and not subject to custodial credit risk.

E. Accounts Receivable

The Corporation's accounts receivable consists primarily of receivables for advertising and other marketing services. The Corporation 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, 2025 and 2024.

F. Leases

Lessee
The Corporation is a lessee for a noncancellable lease of office space. For leases with a maximum possible term of 12 months or less at commencement (short-term), the Corporation recognizes lease expense based on the provisions of the lease agreement in the Statements of Revenues, Expenses, and Changes in Net Position. For all other leases, the Corporation recognizes a lease liability and an intangible right-to-use leased asset in the Statements of Net Position.

At the commencement of a lease, the Corporation initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The leased asset is initially measured at the amount of the lease liability, less lease payments made on or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. A full month of amortization is calculated in the month the leased asset is placed in service. If the Authority is reasonably certain of exercising a purchase option contained in a lease, the leased asset is amortized over the useful life of the underlying asset.

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The following key estimates and judgments are used by the Corporation to determine the following:

– Discount rate: The Corporation generally uses a quoted bank borrowing rate as the discount rate to calculate the present value of the expected lease payments unless the rate that the lessor charges is known.

– Lease term: The lease term includes the noncancelable period of the lease, plus periods covered by either a Corporation or lessor unilateral option to 1) extend when it is reasonably certain to be exercised, or 2) terminate when it is reasonably certain not to be exercised. Periods in which the Corporation and the lessor have an option to terminate or those that are covered by a bilateral option, where both parties must agree, are excluded from the lease term.

– Lease payments: Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the Corporation is reasonably certain to exercise.

The Corporation monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured, and a corresponding adjustment is made to the lease asset.

The Corporation implemented GASB 87 effective January 1, 2022 and has elected not to capitalize lease assets or liabilities for immaterial leases. The Corporation will continue to account for immaterial lease arrangements under extant standards. (See Note III).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred and totaled $113,941 and $107,201 for the years ended December 31, 2025 and 2024, respectively.

H. 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.

I. Subsequent Events

The Corporation evaluated subsequent events for disclosure and/or recognition in the financial statements from December 31, 2025 through March 12, 2026, the date on which the financial statements were available for issuance.

II. CAPITAL AND INTANGIBLE RIGHT-TO-USE ASSETS

Capital assets are stated at cost, or the estimated fair market value if they are donated, and are depreciated using the straight-line method over the estimated useful lives of the assets. Capital assets consist of furniture and equipment with estimated useful lives of 7-10 years, and leasehold improvements with useful lives of 7 years. The right-to-use asset for leased office space is amortized using the straight-line method over 10 years.

Capital asset activity consisted of the following at December 31:

	2025	2024
Depreciable Capital Assets:		
Furniture and Equipment	**$ 116,354**	$ 118,979
Leasehold Improvement	**8,149**	8,149
	124,503	127,128
Intangible Right-to-Use Assets:		
Leased Office Space	**803,315**	803,315
Total Cost	**927,818**	930,443
Less: Accumulated Depreciation	**(110,963)**	(110,502)
Less: Accumulated Amortization	**(388,700)**	(310,960)
Total Capital Assets, Net	**$ 428,155**	$ 508,981

For the years ended December 31, 2025 and 2024, depreciation expense amounted to $3,086 and $3,371 respectively. For the years ended December 31, 2025 and 2024, amortization expense amounted to $77,740 annually.

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III. LEASES LIABILITY

The Corporation is a lessee for a noncancellable lease for office space.

The Corporation leases office space for a term of 70 months with an option to extend an additional 60 months. The lease requires minimum monthly lease payments that vary from year to year as stated in the agreement. The lease was discounted using the Corporation's incremental borrowing rate, 4.44%, to calculate the lease liability. The leased office space asset and accumulated amortization of the right-to-use asset are outlined in Note II.

Minimum lease payments are as follows:

	Principal	Interest	Total
2026	$ 78,279	$ 20,191	$ 98,470
2027	84,852	16,572	101,424
2028	91,814	12,653	104,467
2029	99,184	8,416	107,600
2030	106,985	3,844	110,829
2031	37,102	506	37,608
	$ 498,216	$ 62,182	$ 560,398

IV. PROFESSIONAL SERVICE CONTRACTS

The Corporation received professional service contract fees from various sources for the years ended December 31:

Description	2025	2024
Dutchess County - ARP	$ -	$ 7,500
Dutchess County IDA - Space Usage and Administrative Services	**200,000**	200,000
Dutchess County WIB - Space Usage and Administrative Services	**27,331**	28,153
Dutchess County	**250,000**	455,000
Other	**19,950**	22,250
Total	**$ 497,281**	$ 712,903

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Receivables pertaining to the service contracts totaled $64,139 and $118,087 for the years ended December 31, 2025 and 2024, respectively.

V. CONDUIT DEBT - LOCAL DEVELOPMENT REVENUE BONDS

To further economic development in the County, the Corporation has issued bonds that provide capital financing to not-for-profit 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 not-for-profit entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the not-for-profit entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Corporation for any of those bonds. At December 31, 2025 and 2024, the bonds have an aggregate outstanding principal amount payable of $1,363,718,397 and $1,383,972,861 (re-stated), respectively.

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

VI. RELATED PARTY TRANSACTIONS

The Corporation has a professional service contract with the Dutchess County Industrial Development Agency. Members of the Board of Directors of the Corporation make up the Board of the Dutchess County Industrial Development Agency. Revenues under the service contract totaled $200,000 for the years ended December 31, 2025 and 2024. Receivables totaled $3,515 and $1,615 as of December 31, 2025 and 2024, respectively. Liabilities totaled $0 and $788 as of December 31, 2025 and 2024, respectively.

The Corporation had professional service contracts with, and is considered to be a component unit of, Dutchess County. Revenues totaled $250,000 and $462,500 for the years ended December 31, 2025 and 2024, respectively. Receivables totaled $60,624 and $116,472 as of December 31, 2025 and 2024, respectively.

VII. NEW REPORTING STANDARDS

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures.* This statement requires governmental entities to assess and disclose concentrations and constraints that make the entity vulnerable to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Agency implemented this standard for fiscal 2025 as required. The implementation did not have a significant impact on the Agency's financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement makes targeted improvements to the governmental financial reporting model in order to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Areas impacted by the changes include the MD&A, budgetary comparison information, and major component unit information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. Management has not estimated the potential impact of GASB 103, if any, on the Agency's financial statements

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires leases, intangible right-to-use assets, and subscription-based information technology arrangements to be disclosed separately in the capital assets note disclosures. Additionally, this statement mandates the separate disclosure of all other intangible assets by major class, excluding the aforementioned types. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. Management has not estimated the potential impact of GASB 104, if any, on the Agency's financial statements.

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. This statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued and requires the reporting entity to disclose the date through which subsequent events have been evaluated. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Agency implemented this standard for fiscal 2025. The implementation did not have a significant impact on the Agency's financial statements.

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OTHER INFORMATION

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DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF CONDUIT INDEBTEDNESS
DECEMBER 31, 2025

Project Name	Original Issue Amount	Original Issue Date	Interest Rate	Restated Outstanding Balance December 31, 2024	New Issues/ Drawdowns 2025	Principal Payments 2025	Outstanding Balance December 31, 2025	Final Maturity Date
Anderson Center Services, Inc Series 2017A	$ 3,830,100	09/06/17	2.66%	$ 1,267,131	$ -	$ (401,360)	$ 865,771	2027
Anderson Center Services, Inc Series 2017B	8,582,359	12/06/17	2.90%	4,004,419	-	(749,493)	3,254,926	2029
Anderson Center Services, Inc Series 2021A	10,200,000	08/30/21	3.09%	7,241,054	-	(974,164)	6,266,890	2031
Bard College Series 2020A*	150,770,000	12/15/20	5.00%	150,770,000	-	-	150,770,000	2051
Bard College Series 2020B*	99,230,000	12/15/20	5.92%	89,320,000	-	(4,045,000)	85,275,000	2039
Bard College Series 2023A	112,905,000	09/14/23	5.48%	112,905,000	-	-	112,905,000	2058
Bard College Series 2024	43,225,000	01/18/24	5.48%	43,225,000	-	-	43,225,000	2058
Culinary Institute of America Series 2016 A-1 & A-2	37,040,000	09/01/16	1.64-5.00%	23,355,000	-	(2,195,000)	21,160,000	2026
Culinary Institute of America Series 2018	23,120,000	07/17/18	1.84-3.44%	17,015,000	-	(1,210,000)	15,805,000	2028
Culinary Institute of America Series 2021	16,885,000	10/21/21	4.00-5.00%	15,760,000	-	(410,000)	15,350,000	2040
Culinary Institute of America Series 2022	10,630,000	04/04/22	4.00-5.00%	9,680,000	-	(505,000)	9,175,000	2042
Culinary Institute of America Series 2025	16,690,000	08/27/25	4.43%	-	16,690,000	-	16,690,000	2043
Dutchess Community College Series 2011	27,394,000	07/12/11	2.2[illegible]%	17,412,600	-	(1,356,832)	16,055,768	2041
Health Quest Inc Series 2012	27,320,000	12/05/12	1.00[illegible]%	2,325,000	-	(2,325,000)	-	2025
Health Quest Inc Series 2014	54,615,000	05/01/14	1.3[illegible]-5.90%	4,200,000	-	(120,000)	4,080,000	2044
Health Quest Inc Series 2016 A	28,080,000	07/01/16	[illegible]00-5.00%	19,360,000	-	(1,560,000)	17,800,000	2037
Health Quest Inc Series 2016 B	350,000,000	07/01/16	[illegible]00-5.00%	345,505,000	-	(4,190,000)	341,315,000	2036
Hudson Valley Property Holdings Series 2015 A &B	25,000,000	07/01/15	4.27%	18,536,725	-	(853,619)	17,683,106	2040
Marist College Series 2015A	80,885,000	07/01/15	5.00%	69,610,000	-	(69,610,000)	-	2046
Marist College Series 2018*	35,790,000	10/04/18	2.13-3.46%	33,765,000	-	(745,000)	33,020,000	2048
Marist College Series 2022	58,190,000	05/01/22	4.00-5.00%	58,190,000	-	-	58,190,000	2052
Marist College Series 2023	31,505,000	05/11/23	5.00%	28,515,000	-	(3,095,000)	25,420,000	2043
Marist University Series 2025	64,420,000	06/03/25	4.53%	-	64,420,000	-	64,420,000	2045
Millbrook School Series 2021	22,315,000	08/31/21	2.50-5.00%	21,490,000	-	(485,000)	21,005,000	2051
Nuvance Health 2019B	99,910,000	08/01/19	3.00-5.00%	83,715,000	-	(2,825,000)	80,890,000	2039
The Community at Brookmeade 2018	25,100,000	12/20/18	4.79%	19,571,806	-	(671,296)	18,900,510	2043
Tompkins Terrace	24,180,000	09/12/23	5.00%	24,180,000	-	(31,535)	24,148,465	2040
Trinity-Pawling School Series 2024	10,300,000	02/28/24	Bank Rate	9,399,126	-	(1,201,165)	8,197,961	2032
Vassar College Rev Refunding Series 2017	102,095,000	04/01/17	2.50-5.00%	96,695,000	-	(1,060,000)	95,635,000	2046
Vassar College Series 2020	59,095,000	04/02/20	4.00-500%	56,960,000	-	(745,000)	56,215,000	2049
Totals	$ 1,659,301,459			$ 1,383,972,861	$ 81,110,000	$ (101,364,464)	$ 1,363,718,397	

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DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
DECEMBER 31, 2025

	PROJECTS							
	2017-02	2021-02	2020-02	2023-02	2024-01	2018-03	2016-03	2018-01
	Anderson Center for Autism	Anderson Center for Autism	Bard College	Bard College	Bard College	Community at Brookmeade	Culinary Institute of America	Culinary Institute of America
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED*:								
# FTEs before LDC status	327	431	804	962	962	194	550	521
Original Estimate of Jobs to be Created	0	0	0	0	0	25	0	0
Original Estimate of Jobs to be Retained	327	431	804	962	962	194	550	521
Current # of FTEs	427	427	1,038	1,038	1,038	173	538	538
Total # of FTEs	427	427	1,038	1,038	1,038	173	538	538
Jobs Created to Date	100	(4)	234	76	76	(21)	(12)	17

*PARIS amounts may differ due to software constraints.

	PROJECTS							
	2021-03	2025-02	2011-02	2012-02	2014-01	2016-01	2019-01	2015-02
	Culinary Institute of America	Culinary Institute of America	Dutchess Community College	Health Quest Systems, Inc. 2012	Health Quest Systems, Inc. 2014	A&B Bond H&Q NDH, PHC, VBMC	Nuvance Health	HV Property Holdings LLC
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED*:								
# FTEs before LDC status	437	517	0	1,644	691	2,768	2,411	231
Original Estimate of Jobs to be Created	0	0	4	0	16	21	0	0
Original Estimate of Jobs to be Retained	437	517	0	1,644	691	2,768	2,411	231
Current # of FTEs	538	538	6	2,483	821	3,491	2,950	1,406
Total # of FTEs	538	538	6	2,483	821	3,491	2,950	1,406
Jobs Created to Date	101	21	6	839	130	723	539	1,175

*PARIS amounts may differ due to software constraints.

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DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORTATION
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

	PROJECTS							
	2015-01	**2018-02**	**2022-01**	**2023-01**	**2025-01**	**2021-02**	**2023-03**	**2013-06**
	Marist College 2015	**Marist College 2018**	**Marist College 2022**	**Marist College 2023**	**Marist College 2025**	**Millbrook School**	**Tompkins Terrace**	**Trinity Pawling School**
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED*:								
# FTEs before LDC status	992	945	983	961	1,173	135	5	99
Original Estimate of Jobs to be Created	27	24	0	0	0	0	0	4
Original Estimate of Jobs to be Retained	992	945	983	961	1,173	135	5	99
Current # of FTEs	1,173	1,173	1,173	1,173	1,173	136	6	107
Total # of FTEs	1,173	1,173	1,173	1,173	1,173	136	6	107
Jobs Created to Date	181	228	190	214	0	1	1	8

*PARIS amounts may differ due to software constraints.

	PROJECTS			
	2024-02	**2013-02**	**2017-01**	**2020-01**
	Trinity Pawling School	**Vassar College**	**Vassar College Refinancing**	**Vassar College Refinancing**
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED*:				
# FTEs before LDC status	107	97	1,006	919
Original Estimate of Jobs to be Created	0	2	0	0
Original Estimate of Jobs to be Retained	107	97	1,006	919
Current # of FTEs	107	***	1,157	1,157
Total # of FTEs	107	***	1,157	1,157
Jobs Created to Date	0	***	151	238

*PARIS amounts may differ due to software constraints.
*** Employment Data Unavailable at this time

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OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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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 Local Development Corporation
3 Neptune Road, Suite A21
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 Local Development Corporation (the "Corporation"), a component unit of Dutchess County, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 12, 2026.

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Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the 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 audit 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 Corporation'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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Poughkeepsie, NY
March 12, 2026

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DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

A. Internal Control Findings

No internal control findings noted.

B. Compliance Findings

No compliance findings noted.

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