

FINANCIAL REPORT
Audited
DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
DUTCHESS COUNTY, NEW YORK
December 31, 2019 and 2018

Audited for:

Board of Directors
Dutchess County Industrial Development Agency

Audited by:

RBT CPAs, LLP
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Newburgh, NY 12550
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DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Dutchess County Industrial Development Agency ("Agency"), a component unit of Dutchess County, New York, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Dutchess County Industrial Development Agency, a component unit of Dutchess County, New York, as of December 31, 2019 and 2018, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3-5, be presented to supplement the basic financial statements. Such information, 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

Our audits were conducted for the purpose of forming opinion on the financial statements that collectively comprise the Dutchess County Industrial Development Agency, a component unit of Dutchess County, New York's basic financial statements. The Schedule of Conduit Indebtedness and Schedule of Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Indebtedness and Schedule of Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the number of current full time equivalent jobs upon which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, except for the number of full time equivalent jobs, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2020, on our consideration of the Dutchess County Industrial Development Agency, a component unit of Dutchess County, New York'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 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 Dutchess County Industrial Development Agency's internal control over financial reporting and compliance.

RBT CPAs, LLP

Newburgh, NY
February 18, 2020

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

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, 2019 and 2018, as mandated by GASB #34. This information should be reviewed in conjunction with the Agency’s audited financial statements.

FINANCIAL POSITION SUMMARY

Net position serves as an indicator of the Agency’s financial position. The Agency’s net position was \$2,696,059 and \$4,374,639 at December 31, 2019 and 2018, respectively. The decrease in net position of \$1,678,580 is primarily due to an excess of project costs and professional service contracts expense over administrative and closing fees revenue.

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

SUMMARY OF NET POSITION

	<u>2019</u>	Restated <u>2018</u>	<u>Change</u>
ASSETS			
Current and Other Assets	\$ 4,416,278	\$ 4,414,659	\$ 1,619
Total Assets	<u>\$ 4,416,278</u>	<u>\$ 4,414,659</u>	<u>\$ 1,619</u>
LIABILITIES			
Current and Other Liabilities	\$ 1,720,219	\$ 40,020	\$ 1,680,199
Total Liabilities	<u>1,720,219</u>	<u>40,020</u>	<u>1,680,199</u>
NET POSITION			
Unrestricted	2,696,059	4,374,639	(1,678,580)
Total Net Position	<u>2,696,059</u>	<u>4,374,639</u>	<u>(1,678,580)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,416,278</u>	<u>\$ 4,414,659</u>	<u>\$ 1,619</u>

FINANCIAL OPERATIONS HIGHLIGHTS

There was a decrease in net position in 2019 of \$1,678,580, due to an increase in professional service contract expenses. The decrease in net position in 2018 of \$28,633 was due to the decrease in project size resulting in less fees collected.

In 2019, IBM did not execute the Equipment Lease and Project Agreement Providing for Sales and Use Tax Exemption approved by resolution by the Agency’s board in 2018. As a result the Agency did not receive the anticipated administrative fee related to this project. However, the funds for the professional service contracts with the Agency were already committed and could not be changed despite the change in administrative fee revenue.

Administrative and closing fee revenues decreased by \$109,130 in 2019, as noted above, this was primarily the result of a decrease in the sizes of new projects.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 REQUIRED SUPPLEMENTARY INFORMATION
 MANAGEMENT'S DISCUSSION AND ANALYSIS**

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2019	Restated 2018	Change
<u>REVENUES</u>			
Administrative and Closing Fees	\$ 403,263	\$ 512,393	\$ (109,130)
Interest Earnings	57,399	74,865	(17,466)
Total Revenues	460,662	587,258	(126,596)
<u>EXPENSES</u>			
Projects and Professional Service Contracts	2,127,415	605,825	1,521,590
Administrative Expenses	11,827	10,066	1,761
Total Expenses	2,139,242	615,891	1,523,351
Change in Net Position	\$ (1,678,580)	\$ (28,633)	\$ (1,649,947)

FINANCIAL STATEMENTS

The Agency's financial statements are prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (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

At the April 10, 2019 DCIDA Board meeting, the board approved the Final Resolution for EFG / Saber Heritage, LLC (Hudson Heritage) for Phase Commercial East . The project will develop a new town center in the Town of Poughkeepsie to be known as Hudson Heritage. EFG / Saber Heritage SC, LLC proposes to redevelop the former Hudson River Psychiatric Center in the Town of Poughkeepsie into a mixed use community to be known as Hudson Heritage. The project will also include replacement and upgrades to the public sewer and water lines, make off-site roadway improvements, clean up sewage spills and restore the "Great Lawn" for public use. Phase Commercial East will invest \$69,832,860 and the project will receive a Sales Tax Exemptions and Mortgage Tax Exemption and will create 309 FTE jobs.

At the July 17, 2019 DCIDA meeting, the board approved the amendment to the Final Resolution for Asahishuzo International Co, Ltd. (Town of Hyde Park) authorizing a lease and project Agreement providing for a Real Property Tax PILOT, Mortgage Tax Exemption and Sales Tax Exemption for an approximately \$31,910,000 project for construction and re-development at 5 Saint Andrews Road for a sake brewery and associated tourism elements. Asahishuzo International Co. Ltd proposes to repurpose a former grocery store and convert it to accommodate a sake brewery, manufacturing and distribution facility. The project will also entails the construction of new accessory buildings to support the manufacturing process.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CURRENTLY KNOWN FACTS, DECISIONS, AND CONDITIONS (Continued)

Asahishuzo will be re-purposing a vacant commercial property at the “gate-way” to the Town of Hyde Park. Asahishuzo, an international sake brand, is locating their first manufacturing operation outside of Japan in Hyde Park, making it the first sake manufacturer to be located in New York and the East Coast. They intend to work closely with the Culinary Institute of America on research and development as well as workforce development/education. The project will enhance the economic vitality and the tourism experience in the Town of Hyde Park. To this end, the project will include tourism elements such as a tasting room, retail, tours, public spaces and landscaping to promote gathering. Over the term of the 10 year term, PILOT payments will provide approximately \$4.5 million additional revenue over the current assessed amounts. The project is estimated to create approximately 7 new FTE jobs 2 years after construction and 32 FTE jobs after 5 years.

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

As of December 31	2019	Restated 2018
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,733,396	\$ 4,413,565
Prepaid Expenses	2,352	1,094
	2,735,748	4,414,659
Total Current Assets		
Cricket Valley Escrow Deposit	1,680,530	-
	1,680,530	-
TOTAL ASSETS	\$ 4,416,278	\$ 4,414,659
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 39,689	\$ 40,020
	39,689	40,020
Total Current Liabilities		
Non-Current Liabilities:		
Cricket Valley Escrow Liability	1,680,530	-
	1,680,530	-
Total Non-Current Liabilities		
	1,680,530	-
Total Liabilities	1,720,219	40,020
Net Position:		
Unrestricted	2,696,059	4,374,639
	2,696,059	4,374,639
Total Net Position	2,696,059	4,374,639
TOTAL LIABILITIES AND NET POSITION	\$ 4,416,278	\$ 4,414,659

See Notes to Financial Statements

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

For the Years Ended December 31	2019	Restated 2018
Operating Revenues:		
Administrative and Closing Fees	<u>\$ 403,263</u>	<u>\$ 512,393</u>
Total Operating Revenues	<u>403,263</u>	512,393
Operating Expenses:		
Projects and Professional Service Contracts	<u>2,127,415</u>	605,825
Administrative Expenses	<u>11,827</u>	10,066
Total Operating Expenses	<u>2,139,242</u>	615,891
Operating Income/(Loss)	<u>(1,735,979)</u>	(103,498)
Non-Operating Revenues:		
Interest Income	<u>57,399</u>	74,865
Net Non-Operating Revenues	<u>57,399</u>	74,865
Change in Net Position	<u>(1,678,580)</u>	(28,633)
Net Position, Beginning, as previously stated	<u>4,374,639</u>	4,428,272
Prior Period Adjustment (Note V)	<u>-</u>	(25,000)
Net Position, Beginning, as restated	<u>4,374,639</u>	4,403,272
Net Position, Ending	<u><u>\$ 2,696,059</u></u>	<u>\$ 4,374,639</u>

See Notes to Financial Statements

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

For the Years Ended December 31	2019	Restated 2018
Cash Flows From Operating Activities:		
Receipts from providing services	\$ 403,263	\$ 512,393
Payments to vendors	<u>(2,140,831)</u>	<u>(637,930)</u>
Net cash used in operating activities	<u>(1,737,568)</u>	<u>(125,537)</u>
Cash Flows From Investing Activities:		
Interest income	<u>57,399</u>	<u>74,865</u>
Net cash provided by investing activities	<u>57,399</u>	<u>74,865</u>
Net Decrease in Cash and Cash Equivalents	(1,680,169)	(50,672)
Cash and Cash Equivalents - Beginning	<u>4,413,565</u>	<u>4,464,237</u>
Cash and Cash Equivalents - Ending	<u>\$ 2,733,396</u>	<u>\$ 4,413,565</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating Income/(Loss)	\$ (1,735,979)	\$ (103,498)
Changes in Assets and Liabilities:		
Prepaid Expenses	(1,258)	(39)
Accounts Payable	<u>(331)</u>	<u>(22,000)</u>
Net Cash (Used) in Operating Activities	<u>\$ (1,737,568)</u>	<u>\$ (125,537)</u>

See Notes to Financial Statements

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The Dutchess County Industrial Development Agency in Poughkeepsie, New York (the “Agency”) is a public benefit corporation established June 28, 1977, under the terms of Article 18-A, “New York State Industrial Development Agency Act” of New York State general municipal law. The seven-member board is appointed by the legislature of Dutchess County. Accordingly, the Agency is considered a component unit of Dutchess County, New York (the “County”).

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 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 Board Members. This level of control meets the criteria for financial accountability as defined by GASB Statement No. 14, as amended.

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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under standards set by GASB, the Agency is considered a proprietary fund. Proprietary fund financial statements are prepared on the accrual basis of accounting, which records the financial effects of transactions and other events when these transactions and events occur. Revenues are recognized when they are earned and expenses are recognized when they are incurred. The measurement focus is the flow of economic resources.

D. Cash and Cash Equivalents

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Cash and Cash Equivalents (Continued)

Agency monies are deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand deposit, time and money market savings accounts and certificates of deposit. Governmental Accounting Standards Board Statement No. 40 *Deposits and Investment Risk Disclosure*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, or collateralized by securities held by the Agency or its agent in the Agency's name. The Agency's cash balances were fully collateralized with securities held by the Agency's third party custodian and not subject to custodial credit risk.

E. 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.

F. Subsequent Events

The Agency evaluated subsequent events for disclosure and/or recognition in the financial statements from December 31, 2019 through February 18, 2020, the date on which the financial statements were available for issuance.

II. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At December 31, 2019 and 2018, accounts payable and accrued liabilities consisted primarily of professional service fees and service contract expenses incurred of \$39,689 and \$40,020, 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, 2019 and 2018, the bonds have an aggregate outstanding principal amount payable of \$154,084,117 and \$157,456,856, 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 effected 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 against the Agency is limited to those properties and revenues specified as collateral in the body of the applicable financing agreement.

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

IV. RELATED PARTY TRANSACTIONS

Members of the board of directors of the Agency make up the board of the DCLDC, therefore the two entities are considered related parties. The Agency has a professional service contract with the DCLDC. Expenses under the service contract totaled \$601,500 and \$150,000 for the years ended December 31, 2019 and 2018, respectively. Payables totaled \$0 for both years ended December 31, 2019 and 2018.

V. PRIOR PERIOD ADJUSTMENT

Certain amounts for the year ended December 31, 2018 were restated to correct the accrual of professional service contract expenses.

Net Position - Beginning of 2018, as Previously Stated	\$ 4,428,272
Professional Service Contract Expenses	<u>(25,000)</u>
Net Position - Beginning of 2018, as Restated	<u>\$ 4,403,272</u>

VI. NEW REPORTING STANDARDS

In May 2019, GASB issued Statement 91, *Conduit Debt Obligations*. Under this statement, the GASB improved the existing standards related to conduit debt obligation disclosure by providing a single reporting method for government issuers. Although implementation is not required until the year ended December 31, 2021, the Corporation has implemented this standard early for the year ended December 31, 2019. There has been no effect on net position as a result of this implementation.

GASB has issued Statements 83-92, none of which are expected to have any substantive effects on the Agency's net position.

OTHER SUPPLEMENTARY INFORMATION

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF CONDUIT INDEBTEDNESS
DECEMBER 31, 2019**

Project Name	Original Issue Amount	Original Issue Date	Interest Rate	Outstanding Balance December 31, 2018	New Issue 2019	Principal Payments 2019	Outstanding Balance December 31, 2019	Final Maturity Date
Bard College	\$ 136,765,000	5/07	4.00%-5.00%	\$ 121,260,000	\$ -	\$ (2,180,000)	\$ 119,080,000	8/46
Davies South Terrace	8,600,000	12/07	5.95%	6,916,856	-	(82,739)	6,834,117	6/49
Marist College	20,000,000	1/08	Variable	15,510,000	-	(540,000)	14,970,000	7/38
Vassar Hospital	17,195,000	1/11	4.00-5.25%	13,770,000	-	(570,000)	13,200,000	4/34
Totals	\$ 182,560,000			\$ 157,456,856	\$ -	\$ (3,372,739)	\$ 154,084,117	

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

	PROJECTS						
	13021002 Adams Fairacre Farms	13020706A Arbor Ridge Brookmeade, Inc.	1320704A Bard College	13021304 Bonura Dibrizzi	13021501 Built Parcel 3 and 4	13021805 165 Overlook Road LLC	13021603 Cricket Valley Energy Center
Tax Exemptions:							
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,906	***
Real Property Tax*	229,495	458,546	-	908,922	206,050	-	37,591
TOTALS	\$ 229,495	\$ 458,546	\$ -	\$ 908,922	\$ 206,050	\$ 153,906	\$ 37,591
Payments in Lieu of Taxes (PILOTS):							
County	\$ 22,587	\$ 43,184	\$ -	\$ 10,594	\$ 6,682	\$ -	\$ 148,050
Local	40,119	25,190	-	62,881	35,336	-	183,535
School	143,840	21,948	-	66,106	67,108	-	918,415
TOTALS	\$ 206,546	\$ 90,322	\$ -	\$ 139,581	\$ 109,126	\$ -	\$ 1,250,000
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED**:							
# FTEs before IDA status	0	0	724	119	21	0	0
Original Estimate of Jobs to be Created	155	24	0	10	39	4	26
Original Estimate of Jobs to be Retained	0	0	724	119	21	0	0
Current # of FTEs	211	20	875	74	43	3	31
# of FTE Construction Jobs During Fiscal Year	0	0	0	0	0	168	1,571
Net Employment Change	211	20	151	(45)	22	3	31

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

**PARIS amounts may differ due to software constraints.

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

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

	13020709A	13021602	13021604	13021406	13021701	13021201	130220113
	Davies	13021602	13021604	13021406	13021701	13021201	130220113
	Southeast	Eastdale	Empire	GPSDC (GAP)	GPSDC (GAP)	Health	IBM
	Terrace	MHTC	Hotel Development	New York, Inc.	New York, Inc.	Quest	Poughkeepsie
Tax Exemptions:							
Sales Tax	\$ -	\$ 616,334	\$ 194,941	\$ -	\$ 871,332	\$ -	\$ -
Real Property Tax*	492,793	-	-	5,446,864	-	158,999	8,829,726
TOTALS	\$ 492,793	\$ 616,334	\$ 194,941	\$ 5,446,864	\$ 871,332	\$ 158,999	\$ 8,829,726
Payments in Lieu of Taxes (PILOTS):							
County	\$ 19,026	\$ -	\$ -	\$ 188,553	\$ -	\$ 13,299	\$ 357,099
Local	71,725	-	-	313,332	-	48,394	1,552,357
School	118,498	-	-	1,228,851	-	81,406	4,356,900
TOTALS	\$ 209,249	\$ -	\$ -	\$ 1,730,736	\$ -	\$ 143,099	\$ 6,266,356
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED**:							
# FTEs before IDA status	3	0	0	428	0	0	0
Original Estimate of Jobs to be Created	0	31	18	700	0	182	3,561
Original Estimate of Jobs to be Retained	3	0	0	428	0	0	0
Current # of FTEs	3	7	65	984	0	2,104	3,414
# of FTE Construction Jobs During Fiscal Year	0	466	0	0	0	0	0
Net Employment Change	0	7	65	556	0	2,104	3,414

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

**PARIS amounts may differ due to software constraints.

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

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DUTCHESS COUNTY, NEW YORK
SCHEDULE OF SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

	13021502 Jaleli, LLC Hudson Valley Lighting	13020801 Marist College	13021303 Neptune Capital Investors	13021401 Parker Hamilton	13021804 T-Rex Bellefield	130220111 Vassar Hospital	13021807 Asahishuzo Inernational Co., Ltd.
Tax Exemptions:							
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ 85,803	\$ -	\$ 27,199
Real Property Tax*	291,610	-	486,386	65,140	-	-	-
TOTALS	\$ 291,610	\$ -	\$ 486,386	\$ 65,140	\$ 85,803	\$ -	\$ 27,199
Payments in Lieu of Taxes (PILOTS):							
County	\$ 32,350	\$ -	\$ 6,645	\$ 5,292	\$ -	\$ -	\$ -
Local	47,883	-	35,144	23,939	-	-	-
School	206,820	-	127,881	33,332	-	-	-
TOTALS	\$ 287,053	\$ -	\$ 169,670	\$ 62,563	\$ -	\$ -	\$ -
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED**:							
# FTEs before IDA status	0	0	0	29	0	1,336	0
Original Estimate of Jobs to be Created	56	0	25	3	30	83	5
Original Estimate of Jobs to be Retained	0	0	0	29	0	1,336	0
Current # of FTEs	81	0	194	100	0	2,104	0
# of FTE Construction Jobs During Fiscal Year	0	0	0	0	21	0	41
Net Employment Change	81	0	194	71	0	768	0

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

**PARIS amounts may differ due to software constraints.

OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**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, 2019, 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 18, 2020.

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.

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.

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.

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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.

RBT CPAs, LLP

Newburgh, NY
February 18, 2020