

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
POUGHKEEPSIE, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
TABLE OF CONTENTS
DECEMBER 31, 2012 AND 2011**

<u>DESCRIPTION:</u>	<u>PAGE(S)</u>
Independent Auditors' Report.....	1-3
Management's Discussion and Analysis (Unaudited)	4-5
 FINANCIAL STATEMENTS:	
Statements of Net Position	6
Statements of Revenues, Expenses and Changes in Net Position	7
Statements of Cash Flows	8
Notes to the Financial Statements	9-13
 OTHER SUPPLEMENTAL INFORMATION:	
Schedule of Indebtedness	14
Schedule of Supplemental Information	15-17
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	18-19



CERTIFIED PUBLIC ACCOUNTANTS, P.C.

Navigating Your Success

Partners
Mark S. O'Sullivan, CPA
James F. Letterio, Jr., CPA
Linda M. Hannigan, CPA

James L. Sedore, Jr., CPA
Charles R. Rae, Jr., CPA

INDEPENDENT AUDITORS' REPORT

To the 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 business-type activities of the Dutchess County Industrial Development Agency ("the Agency"), a component unit of Dutchess County, New York, as of December 31, 2012 and 2011, and the related notes to the financial statements which collectively comprise the Agency's basic financial statements for the years then ended as listed in the foregoing 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the basic financial statements are free of 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

Poughkeepsie Office

2678 South Road | Suite 101 | Poughkeepsie, New York 12601

Tel: (845) 485-5510 | Fax: (845) 485-5547 | Email: info@sedoreco.com | Web: www.sedoreco.com

POUGHKEEPSIE • PORT JERVIS • FISHKILL

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 opinions.

Opinion

In our opinion, the 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, 2012 and 2011, and the respective changes in financial position and cash flows 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 4 and 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 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Dutchess County Industrial Development Agency's financial statements as a whole. The additional information on the Schedule of Indebtedness and the Schedule of Supplemental Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the number of current full time employees, information upon which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2013, on our consideration of the Dutchess County Industrial Development 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 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.

Sedare & Company, CPA's

Poughkeepsie, New York
April 30, 2013

DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2012 AND 2011

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 Industrial Development Agency for the year ended December 31, 2012 and 2011, as mandated by GASB #34. This information should be reviewed in conjunction with the Agency's audited financial statements.

FINANCIAL OPERATIONS HIGHLIGHTS

There was a decrease in Net Position in 2012 of \$54,320 and there was an increase in Net Position of \$77,534 in the year 2011.

Fees for services decreased \$181,249 in 2012. This was the result of a decrease in the number of projects closed. There were two projects in 2012 compared to three projects in 2011. In 2012, interest earnings decreased by \$2,650. This was due to lower interest rates.

In the year 2012 Project and Professional Services Contracts increased \$45,867. This was due to an increase in availability of project funds.

SUMMARY OF OPERATIONS

<u>REVENUES:</u>	<u>2012</u>	<u>2011</u>	<u>OVER/(UNDER)</u>
Fees	\$ 277,094	\$ 458,343	\$ (181,249)
Interest Earnings	4,389	7,039	(2,650)
Total Revenues	<u>\$ 281,483</u>	<u>\$ 465,382</u>	<u>\$ (183,899)</u>
<u>EXPENSES:</u>	<u>2012</u>	<u>2011</u>	<u>OVER/(UNDER)</u>
Projects and Professional			
Service Contracts	\$ 302,633	\$ 256,766	\$ 45,867
Administrative Expenses	32,431	130,600	(98,169)
Depreciation Expense	739	482	257
Total Expenses	<u>\$ 335,803</u>	<u>\$ 387,848</u>	<u>\$ (52,045)</u>

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012 AND 2011**

FINANCIAL POSITION SUMMARY

Net Position serves as an indicator of the Agency's financial position. The Agency's Net Position was \$2,326,749 and \$2,381,069 at December 31, 2012 and 2011, respectively. At December 31, 2012, total assets amounted to \$2,337,749 which consisted of a decrease in net position of \$54,320 or 2.28%. Total liabilities were \$11,000 and \$133,110 at December 31, 2012 and 2011, a decrease of \$122,110, of which the entire amount was designated as current. The decrease in liabilities is attributed to liquidation of grant payable for the restoration and beautification of a park in Dutchess County. The decrease in Net Position is mainly due to one bond issued in 2012 and three bonds issued during 2011.

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

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 an enterprise fund. It is a component unit of Dutchess County, New York because the County Legislature appoints the Agency's seven-member board. Bonds issued by 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.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit Of Dutchess County, New York)
STATEMENTS OF NET POSITION
DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash and Cash Equivalents	\$ 2,333,334	\$ 2,365,410
Accounts Receivable, net	-	144,085
Prepaid Expenses	1,659	1,787
Total Current Assets	<u>2,334,993</u>	<u>2,511,282</u>
Non-Current Assets:		
Equipment, Net of Accumulated Depreciation of \$29,370 and \$28,631 respectively	2,756	2,897
Total Non-Current Assets	<u>2,756</u>	<u>2,897</u>
 TOTAL ASSETS	 <u>\$ 2,337,749</u>	 <u>\$ 2,514,179</u>
 <u>LIABILITIES AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 11,000	\$ 133,110
Total Current Liabilities	<u>11,000</u>	<u>133,110</u>
Net Position:		
Net Investment in Capital Assets	2,756	2,897
Unrestricted	2,323,993	2,378,172
Total Net Position	<u>2,326,749</u>	<u>2,381,069</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 2,337,749</u>	 <u>\$ 2,514,179</u>

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit Of Dutchess County, New York)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

<u>REVENUES:</u>	<u>2012</u>	<u>2011</u>
Administrative, Transfer and Closing Fees for Transfer Agreements	\$ 277,094	\$ 458,343
Interest Income	4,389	7,039
	<hr/>	<hr/>
Total Revenues	281,483	465,382
	<hr/>	<hr/>
<u>EXPENSES:</u>		
Projects and Grants	302,633	256,766
Administrative Expenses	32,431	130,600
Depreciation Expense	739	482
	<hr/>	<hr/>
Total Expenses	335,803	387,848
	<hr/>	<hr/>
Change in Net Position	(54,320)	77,534
	<hr/>	<hr/>
Net Position, January 1	2,381,069	2,303,535
	<hr/>	<hr/>
Net Position, December 31	\$ 2,326,749	\$ 2,381,069
	<hr/> <hr/>	<hr/> <hr/>

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit Of Dutchess County, New York)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash Flows from Operating Activities:		
Receipts from providing services	\$ 421,179	\$ 314,610
Payments to contractors	(457,046)	(271,432)
Interest received	4,389	7,039
Net cash provided/(used) by operating activities	(31,478)	50,217
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(598)	(1,403)
Net cash (used) by capital and related financing activities	(598)	(1,403)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(32,076)	48,814
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,365,410	2,316,596
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,333,334	\$ 2,365,410
Reconciliation of change in net position to net cash provided (used) by operating activities		
Change in net position	\$ (54,320)	\$ 77,534
Adjustments to Reconcile Change in Net Position		
Net Cash Provided(Used) by Operating Activities:		
Depreciation and Amortization	739	482
Accrued Interest Receivable		353
Prepaid Expenses	128	(1,037)
Accounts Receivable	144,085	(144,085)
Accounts Payable	(122,110)	116,970
NET CASH PROVIDED (USED)	\$ (31,478)	\$ 50,217

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

1. Organization and Summary of Significant Accounting Policies

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 mandate 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 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 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.

Agency administrative fees are recognized upon transfer of property during the accrual period. Closing fees on transfer agreements are recognized when earned. Expenses are recognized when incurred.

The Agency operates from the same offices as the Dutchess County Economic Development Corporation (DCEDC). A portion of the contractual expenses are for administrative expenses provided by the DCEDC.

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”. Component units are legally separate entities for which Dutchess County Industrial Development Agency 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.

DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2012 AND 2011

1. Organization and Summary of Significant Accounting Policies (Cont'd.)

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.

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.

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.

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.

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2012 AND 2011**

1. Organization and Summary of Significant Accounting Policies (Cont'd.)

Subsequent Events

The Agency evaluated subsequent events for disclosure and/or recognition in the financial statements from December 31, 2012 and through April 30, 2013, the date on which the financial statements were approved for issuance.

2. Accounts Receivable, Net

Accounts receivable consists of a fee payment that was being re-issued by a customer at December 31, 2011, which were collected in 2012.

3. Equipment

Equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the assets. Equipment consisted of computers and related computer equipment with estimated useful lives of 3 years.

Equipment consisted of the following at December 31:

	2012	2011
Computer and Equipment	\$ 32,126	\$ 31,528
Less: Accumulated Depreciation	(29,370)	(28,631)
Net Equipment	\$ 2,756	\$ 2,897

Depreciation expense amounted to \$739 and \$482 for the years ended December 31, 2012 and 2011, respectively.

4. Accounts Payable and Accrued Expense

At December 31, 2012, Accounts Payable and Accrued Expense consisted of \$11,000 of professional audit services incurred for 2012, which was subsequently paid.

5. Industrial Revenue Bonds

Bonds authorized by the Agency and issued through various lending institutions are designated as special obligations of the Agency and payable solely from the revenues and other assets pledged as collateral against the bonds.

DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2012 AND 2011

5. Industrial Revenue Bonds (continued)

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 of 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 institution against the Agency is limited to collateralization properties and revenues as specified in the body of the applicable financing agreement.

Additionally, in each of these financings, the Agency has assigned all rights to receive certain revenues derived with respect to the facilities it has financed to the holders of the industrial revenue bonds. As a consequence, the Agency does not reflect such bonds or related properties on its financial statements. Industrial revenue bonds authorized by the Agency and outstanding at December 31, 2012 and 2011, total \$357,520,663 and \$355,805,663 respectively.

6. Transfer Agreement

On June 4, 2008, the Agency and International Business Machines Corporation (IBM), entered into an extension of a prior agreement through April 28, 2013. The agreement provided tax incentives for IBM to make certain improvements of approximately \$36,000,000 and assist the company in maintaining and expanding employment levels within the County. The Agency is entitled to an annual administrative fee of .25% of value of property transferred and a variable fee of 1.625% - 3.750% of value property transferred. The latter fee is paid to Dutchess County. The fee rate is being linked to the completion of capital improvements and employment levels.

7. Revolving Loan Fund

During 1993, the Agency appropriated \$250,000 to establish a revolving loan fund to be administered by the Dutchess County Economic Development Corporation (DCEDC), for the benefit of small business development within the County. In recent years the program has become inactive; during 2008, the amount of \$365,085 was returned to the Agency. This was the original appropriation plus net earnings. In 2008, the Agency made a recoverable grant to the DCEDC of \$300,000 to establish a revolving loan program to fund loans limited to "green loans." During 2011, The Agency amended its guidelines to remove the "green" restriction and provide eligibility to all small business growth activity. The revolving loan fund balances at December 31, 2012 and 2011 were \$313,249 and \$311,146, respectively. Outstanding loans extended to small businesses at December 31, 2012 and 2011 were \$36,024 and \$46,652, respectively.

DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2012 AND 2011

8. Contingent Liabilities

In 2007, the Agency entered into a grant agreement with the New York State Department of Economic Development for a grant of \$225,000 on behalf of Southeast Container, Inc. The Agency shall be indemnified by Southeast Container, Inc. the amount of the grant if in any way Southeast Container, Inc. violates provisions of the grant agreement with the New York State Department of Economic Development.

9. New Reporting Standards

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provided guidance for reporting deferred outflows and inflows of resources and net position as defined in Concepts Statement No. 4. This statement was implemented for the year ended December 31, 2012, with 2011 amounts being presented in conformity with that statement. There was no effect on results of operations.

In March 2012, GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. When implemented, this Statement will require the re-consideration of reporting of assets and liabilities. The Agency is required to implement this standard for the year ending December 31, 2013. The implementation of GASB Statement 65 could have a substantive effect on the Agency's net position

OTHER SUPPLEMENTAL INFORMATION

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
SCHEDULE OF INDEBTEDNESS
December 31, 2012

Project Name	Original Issue Amount	Original Issue Date	Interest Rate	Outstanding Balance January 1, 2012	New Issue 2012	Principal Payments 2012	Outstanding Balance December 31, 2012	Final Maturity Date
Anderson Foundation	\$ 9,625,000	5/07	Variable	\$ 7,105,000	\$ -	\$ 490,000	\$ 6,615,000	5/27
Anderson Foundation	15,000,000	12/07	Variable	12,785,000	-	680,000	12,105,000	6/29
Arbor Ridge at Brookmeade	19,845,000	9/07	Variable	10,530,000	-	1,510,000	9,020,000	9/37
Astor Learning Center	2,755,000	10/98	4.3%-5.15%	1,820,000	-	1,820,000	-	11/24
Bard College	136,765,000	5/07	4%-5%	133,925,000	-	1,475,000	132,450,000	8/46
Brookview, Inc	10,610,000	9/07	Variable	8,435,000	-	185,000	8,250,000	9/37
Davies South Terrace	8,600,000	12/07	5.95%	7,372,425	-	54,882	7,317,543	6/49
Eliant at Fishkill, NY	17,145,000	1/07	5%-5.25%	15,695,000	-	400,000	15,295,000	1/37
Eliant at Fishkill, NY	2,855,000	1/07	4%	2,855,000	-	-	2,855,000	1/37
Eliant at Fishkill, NY	2,525,000	2/07	4.25%	2,355,000	-	-	2,355,000	1/37
Lutheran Center	15,720,000	4/05	Variable	13,380,000	-	435,000	12,945,000	3/35
Marist College	10,500,000	8/98	Variable	7,150,000	-	315,000	6,835,000	7/28
Marist College	15,000,000	1/99	Variable	10,850,000	-	450,000	10,400,000	7/28
Marist College	20,000,000	11/00	Variable	15,970,000	-	510,000	15,460,000	7/31
Marist College	33,000,000	3/03	1.80%-5.15%	18,625,000	-	18,625,000	-	7/22
Marist College	20,000,000	3/05	Variable	17,550,000	-	465,000	17,085,000	7/35
Marist College	20,000,000	1/08	Variable	18,820,000	-	425,000	18,395,000	7/38
Mechtronics	5,100,000	12/10	4.44%	5,100,000	-	241,029	4,858,971	12/26
Millbrook School	8,000,000	1/08	4.33%	7,872,053	-	132,904	7,739,149	1/28
St Francis Hospital	28,035,000	3/04	7.25%-7.5%	24,375,000	-	685,000	23,690,000	3/29
St Francis Hospital	9,430,000	6/07	6.70%	9,175,000	-	140,000	9,035,000	3/37
Trinity Pawling School	5,800,000	2/98	Variable	2,600,000	-	300,000	2,300,000	2/18
Trinity Pawling School	17,200,000	10/02	Variable	14,550,000	-	445,000	14,105,000	10/32
Vassar Hospital	17,195,000	1/11	Variable	17,115,000	-	420,000	16,695,000	10/34
Totals	\$ 450,705,000			\$ 386,009,478	\$ 0.00	\$ 30,203,815	\$ 355,805,663	

See Independent Auditors' Report.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
SCHEDULE OF SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

		PROJECTS									
		13021002	13020502A	130220111	13020705A	13029903A	13020801	13029802A	13029901A, B, C	13020704A	13029801A
		Adams Fairacre Farms	Lutheran Center	Vassar Hospital	St. Francis	St. Francis	Marist College	Marist College	Marist College	Bard College	Trinity Pawling School
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Real Property Tax Exemptions*:

Sales Tax
Real Property Tax
Mortgage Recording

TOTALS

Payments in Lieu of Taxes (PILOTS)*:

County
Local
School

TOTALS

FULL-TIME EQUIVALENT JOBS CREATED AND RETRAINED (UNAUDITED):

# FTEs before IDA status	0	153	1,707	1,225	589	724	85
Original Estimate of Jobs to be Created	225	0	204	16	61	0	0
Original Estimate of Jobs to be Retained	0	135	1,707	1,225	589	724	85
Current # of FTEs	121	172	1,533	1,174	825	898	93
# of FTE Construction Jobs during fiscal year	0	0	0	0	0	0	0
Net Employment Change	121	19	(174)	(51)	236	174	8

* Real Property Tax Exemptions and Payments in Lieu of Taxes (PILOTS) presented for active projects with exemptions and PILOT agreements.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
SCHEDULE OF SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

		PROJECTS											
		13021202	130220113	13029804A	13029906A	13028699	13029803A	13020601A	13020703A	13020708A	13020706A		
				IBM Corporation	Columbia SFH	Bondib Hotels	Astor Learning Center	GPSDC (GAP) New York, Inc.	Anderson Foundation for Autism, Inc.		Arbor Ridge Brookmeade, Inc.		
	\$	-	-	\$	143,500	542,934	-	4,326,179	-	-	-		
	\$	542,934	143,500	-	-	542,934	-	4,326,179	-	-	376,935		
	\$	542,934	143,500	-	-	542,934	-	4,326,179	-	-	376,935		
TOTALS													
Payments in Lieu of Taxes (PILOTS)*:													
County	\$	-	10,609	\$	24,346	\$	-	\$	224,227	\$	-	\$	28,769
Local	-	39,251	113,417	-	-	39,251	-	257,011	-	-	-	19,828	
School	-	50,140	-	-	-	50,140	-	1,243,555	-	-	-	15,600	
	\$	100,000	137,763	\$	137,763	\$	-	\$	1,724,793	\$	-	\$	64,197
TOTALS													

FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED (UNAUD)

# FTEs before IDA status	40	0	0	0	0	0	11,429	0	327	0	0
Original Estimate of Jobs to be Created	6	0	0	340	0	0	0	1,150	0	0	0
Original Estimate of Jobs to be Retained	40	0	0	0	0	0	0	0	0	0	0
Current # of FTEs	49	119	288	288	7,329	442	442	442	438	14	14
# of FTE Construction Jobs during fiscal year	0	0	0	0	0	0	0	0	98	0	0
Net Employment Change	9	119	288	288	(4,100)	442	442	442	111	14	14

* Real Property Tax Exemptions and Payments in Lieu of Taxes (PILOTS) presented for active projects with exemptions and PILOT agreements.

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Dutchess County, New York)
SCHEDULE OF SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

		PROJECTS					
		13020701A	13020709A	13020601	13020802	13021001	130220112
		13020701A	13020709A	13020601	13020802	13021001	130220112
		Brookview Inc.	Davies Southeast Terrace	Elant at Fishkill	Millbrook School Inc.	Mechtronics Corporation	Hudson Baylor

Real Property Tax Exemptions*:							
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Property Tax	-	457,878	-	-	-	-	-
Mortgage Recording	-	-	-	-	-	-	-
TOTALS	\$ -	\$ 457,878	\$ -				

Payments in Lieu of Taxes (PILOTS)*:							
County	\$ -	\$ 16,947	\$ -	\$ -	\$ -	\$ -	\$ -
Local	-	60,644	-	-	-	-	-
School	-	100,586	-	-	-	-	-
TOTALS	\$ -	\$ 178,177	\$ -				

		13020701A	13020709A	13020601	13020802	13021001	130220112
		Brookview Inc.	Davies Southeast Terrace	Elant at Fishkill	Millbrook School Inc.	Mechtronics Corporation	Hudson Baylor
Full-Time Equivalent Jobs Created and Retained (Unaudited)							
# FTEs before IDA status	0	0	172	80	87	34	0
Original Estimate of Jobs to be Created	0	0	0	5	2	135	75
Original Estimate of Jobs to be Retained	0	0	0	80	85	34	0
Current # of FTEs	12	3	282	60	107	47	42
# of FTE Construction Jobs during fiscal year	0	0	0	0	0	0	0
Net Employment Change	12	3	110	(20)	20	13	42

* Real Property Tax Exemptions and Payments in Lieu of Taxes (PILOTS) presented for active projects with exemptions and PILOT agreements.

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

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

We have audited, 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, the financial statements of the business-type activities 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, 2012, and the related footnotes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated April 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Dutchess County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances as a basis for designing our auditing procedures 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 Dutchess County Industrial Development Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 entity'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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, 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.

We noted certain matters that we reported to Dutchess County Industrial Development Agency, in a separate letter dated April 30, 2013.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Dutchess County Industrial Development Agency's financial statements are free of 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 entity'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.

Sedau & Company, CPA's

Poughkeepsie, New York

April 30, 2013