

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
POUGHKEEPSIE, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
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DECEMBER 31, 2015 AND 2014**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Dutchess County Local Development Corporation
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 Local Development Corporation ("Corporation"), a component unit of Dutchess County, New York, as of and for the years ended December 31, 2015 and 2014, and the related Notes to the Financial Statements, which collectively comprise the Corporation'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.

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 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Dutchess County Local Development Corporation, a component unit of Dutchess County, New York, as of December 31, 2015 and 2014, and the respective changes in financial position, and, where applicable, 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 4-6 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 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 Local Development Corporation's basic financial statements. The Schedule of Indebtedness and Schedule of Supplemental Information are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Indebtedness and Schedule of Supplemental 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 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 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 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 March 1, 2016, on our consideration of the Dutchess County Local Development 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 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 Local Development Corporation's internal control over financial reporting and compliance.

Sedall & Company, CPAs

Poughkeepsie, New York
March 1, 2016

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015 AND 2014**

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 ("Corporation") for the years ended December 31, 2015 and 2014, 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 OPERATIONS HIGHLIGHTS

There was an increase in net position of \$153,089 in 2015, and an increase in net position of \$63,768 in 2014.

Application and closing fees increased \$147,007 in 2015. This was primarily the result of an increase in new projects for which administrative fees were required to be charged.

In 2015, the Corporation became the recipient of a contract with Dutchess County providing for reimbursement of certain expenses. As a result, the Corporation showed an increase in service contract revenue of \$76,125 in 2015.

In the year 2015, there was an increase of \$133,927 in projects and professional service contracts expense.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

<u>REVENUES</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
Administrative and Closing Fees	\$ 303,469	\$ 156,462	\$ 147,007
Service Contract Revenue	76,125	-	76,125
Interest Earnings	1,449	1,333	116
Total Revenues	<u>381,043</u>	<u>157,795</u>	<u>223,248</u>
<u>EXPENSES</u>			
Projects and Professional Service Contracts	227,811	93,884	133,927
Depreciation Expense	143	143	-
Total Expenses	<u>(227,954)</u>	<u>(94,027)</u>	<u>(133,927)</u>
Change in Net Position	<u>\$ 153,089</u>	<u>\$ 63,768</u>	<u>\$ 89,321</u>

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D.)
DECEMBER 31, 2015 AND 2014**

FINANCIAL POSITION SUMMARY

Net position may serve as an indicator of the Corporation's financial position. The Corporation's net position was \$1,160,904 and \$1,007,815 at December 31, 2015 and 2014, respectively. The increase in net position of \$153,089 is primarily due to an excess of service contract revenue and administrative and closing fees revenue over projects and professional service contracts expense.

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

SUMMARY OF NET POSITION

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
Current Assets	\$ 1,378,102	\$ 1,014,184	\$ 363,918
Net Capital Assets	238	381	(143)
TOTAL ASSETS	<u>\$ 1,378,340</u>	<u>\$ 1,014,565</u>	<u>\$ 363,775</u>
<u>LIABILITIES AND NET POSITION</u>			
Current Liabilities	\$ 217,436	\$ 6,750	\$ 210,686
Net Position			
Net Investment in Capital Assets	238	381	(143)
Unrestricted	<u>1,160,666</u>	<u>1,007,434</u>	<u>153,232</u>
Total Net Position	<u>1,160,904</u>	<u>1,007,815</u>	<u>153,089</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,378,340</u>	<u>\$ 1,014,565</u>	<u>\$ 363,775</u>

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 by 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.

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D.)
DECEMBER 31, 2015 AND 2014**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

At the January 29, 2015, DCEDC Annual Meeting, the DCEDC Board voted to support the proposal by County Executive Molinaro to restructure economic development activities in Dutchess County. This new structure includes the dismantling of DCEDC and its current Board. The duties, functions, employees and assets of the DCEDC would transfer to the DCLDC and the current DCEDC Board would become the DC Economic Advisory Council. DCEDC is awaiting final approval for dissolution from the NYS Attorney General's office. On September 1, 2015, the employees of the DCEDC transferred to the DCLDC.

At the May 19, 2015, DCLDC Board meeting the Final Resolution Authorizing the Issuance of its Tax-Exempt Revenue Bonds for the Marist College Series 2015 Project in an amount presently estimated to be \$90,000,000.00 but not to exceed \$95,000,000.00 was approved. This is a \$141 - \$145 million project which consists of two components; a 58,000 square feet, three-story Science and Allied Health Building and a 329,400 square feet four-building student housing facility which would be located on a portion of the Campus on the east side of Route 9.

At the July 21, 2015, DCLDC Board meeting the Final Resolution Authorizing the Issuance of its Tax-Exempt Revenue Bonds for the Hudson Valley Property Holdings, LLC Series 2015A and 2015B (taxable) Project in an amount of \$25,000,000 was approved. This bond was used to acquire the building at The Mid-Hudson Regional Hospital of Westchester Medical Center building currently known as the Atrium. The Atrium Health Center is a multi-purpose facility, portions which are used by the Westchester Medical Center for various administrative and support functions and various patient care services. Other portions of the building are leased or subleased to certain physicians, physician groups or associations providing a variety of healthcare services.

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
STATEMENTS OF NET POSITION
DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and Cash Equivalents	\$ 884,667	\$ 1,014,184
Prepaid Expenses	208,840	-
Service Contract Receivable	284,595	-
	<u>1,378,102</u>	<u>1,014,184</u>
Total Current Assets		
Non-Current Assets:		
Fixed Assets, Net of Accumulated Depreciation of \$761 and \$618, respectively	238	381
	<u>238</u>	<u>381</u>
Total Non-Current Assets		
	<u>238</u>	<u>381</u>
TOTAL ASSETS	<u><u>\$ 1,378,340</u></u>	<u><u>\$ 1,014,565</u></u>
 <u>LIABILITIES AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 8,966	\$ 6,750
Deferred Revenue	208,470	-
	<u>217,436</u>	<u>6,750</u>
Total Current Liabilities		
	<u>217,436</u>	<u>6,750</u>
Net Position:		
Net Investment in Capital Assets	238	381
Unrestricted	1,160,666	1,007,434
	<u>1,160,904</u>	<u>1,007,815</u>
Total Net Position		
	<u>1,160,904</u>	<u>1,007,815</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,378,340</u></u>	<u><u>\$ 1,014,565</u></u>

See Independent Auditors' Report.

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
<u>REVENUES</u>		
Administrative and Closing Fees	\$ 303,469	\$ 156,462
Service Contract Revenue	76,125	-
Interest Income	1,449	1,333
	Total Revenues	157,795
	381,043	157,795
<u>EXPENSES</u>		
Projects and Professional Service Contracts	227,811	93,884
Depreciation Expense	143	143
	Total Expenses	94,027
	227,954	94,027
Change in Net Position	153,089	63,768
Net Position, January 1,	1,007,815	944,047
Net Position, December 31,	\$ 1,160,904	\$ 1,007,815

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Receipts from providing services	\$ 303,469	\$ 156,462
Payments to contractors	(434,435)	(92,384)
Interest received	1,449	1,333
Net cash provided (used) by operating activities	<u>(129,517)</u>	<u>65,411</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(129,517)	65,411
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,014,184</u>	<u>948,773</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 884,667</u></u>	<u><u>\$ 1,014,184</u></u>
Reconciliation of change in net position to net cash provided (used) by operating activities		
Change in Net Position	\$ 153,089	\$ 63,768
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	143	143
Changes in Assets and Liabilities:		
Prepaid Expenses	(208,840)	-
Service Contract Receivable	(284,595)	-
Accounts Payable and Accrued Liabilities	2,216	1,500
Deferred Revenue	<u>208,470</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (129,517)</u></u>	<u><u>\$ 65,411</u></u>

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

1. Summary of Significant Accounting Policies

Organization and Purpose

The Dutchess County Local Development Corporation (“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 via the issuance of industrial revenue bonds and other means to promote economic development. 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 financing.

The Corporation previously operated from the same offices as the Dutchess County Economic Development Corporation (“DCEDC”). A portion of the contractual expenses were for administrative support provided by the DCEDC. In September 2015, the DCEDC staff was transferred to the Corporation to provide administrative support. As a result, the Dutchess County Industrial Development Agency will begin contracting with the Corporation for administrative expenses that were previously provided by the DCEDC.

The Reporting Entity

The Corporation 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 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 Statement No. 14.

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2015 AND 2014**

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

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. 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 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.

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.

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. 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 Corporation or its agent in the Corporation's name. The Corporation's cash balances were fully collateralized with an irrevocable letter of credit and not subject to custodial credit risk.

DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2015 AND 2014

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

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.

Subsequent Events

The Corporation evaluated subsequent events for disclosure and/or recognition in the financial statements from December 31, 2015, and through March 1, 2016, the date on which the financial statements were approved for issuance.

A detailed description of subsequent events that were noted for disclosure is included in Note 5.

2. Local Development Revenue Bonds

Bonds authorized by the Corporation and issued through various lending institutions, are designated as special obligations of the Corporation and payable solely from the revenues and other assets pledged as collateral against the bonds. 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 of collateralized properties and revenues as specified in the applicable financing agreement that are insufficient to meet debt service requirements. Additionally, in each of these financings, the Corporation 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 Corporation does not reflect such bonds or related properties on its financial statements. Local development revenue bonds authorized by the Corporation and outstanding at December 31, 2015 and 2014, total \$461,298,506, and \$368,279,294, respectively.

**DUTCHESS COUNTY
LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
DECEMBER 31, 2015 AND 2014**

3. Service Contract Receivable

The Corporation entered into a service contract in September 2015 with the County of Dutchess for marketing and promotion programs, and business retention and expansion programs. The Corporation recognized \$76,125 in revenue under this contract as of December 31, 2015. At December 31, 2015, the Corporation had receivables of \$284,595, and deferred revenue of \$208,470 related to the contract.

4. Fixed Assets

Fixed assets are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. Fixed assets consist of small office filing equipment with estimated useful lives of 7 years.

Equipment consisted of the following at December 31:

	2015	2014
Fixed assets	\$ 999	\$ 999
Less: Accumulated Depreciation	(761)	(618)
Total Fixed Assets	<u>\$ 238</u>	<u>\$ 381</u>

For the years ended December 31, 2015 and 2014, depreciation expense amounted to \$143.

5. Subsequent Events

The Board of Directors of the DCEDC has elected to dissolve the DCEDC as of December 31, 2015. All remaining funds will be transferred to Corporation in 2016 upon final approval of the dissolution from the NYS Attorney General.

6. New Reporting Standards

GASB has issued Statements 68-80, none of which are expected to have any substantive effects on the Corporation's net position.

OTHER SUPPLEMENTAL INFORMATION

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2015

<u>Project Name</u>	<u>Original Issue Amount</u>	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Outstanding Balance January 1, 2015</u>	<u>New Issues/ Drawdowns 2015</u>	<u>Principal Payments 2015</u>	<u>Outstanding Balance December 31, 2015</u>	<u>Final Maturity Date</u>
Anderson Center Services, Inc. Series 2010	\$ 17,275,000	11/12/10	3.875-6.00%	\$ 15,275,000	\$ -	\$ (595,000)	\$ 14,680,000	2030
CHF-CIA, LLC 2011 Series	15,833,664	06/29/11	2.34%	15,833,644	-	(158,906)	15,674,738	2041
Dutchess Community College Assoc. 2011	27,394,000	07/12/11	2.27%	26,424,625	-	(515,765)	25,908,860	2041
Health Quest Inc Series 2010 A&B	55,055,000	12/15/10	3.00 - 6.80%	43,880,000	-	(3,360,000)	40,520,000	2040
Health Quest Inc Series 2012	27,320,000	12/05/12	1.00-3.80%	22,160,000	-	(1,795,000)	20,365,000	2025
Health Quest Inc Series 2014	54,615,000	05/01/14	1.35-5.90%	54,615,000	-	(1,675,000)	52,940,000	2044
Hudson Valley Property Holdings 2015A&B	25,000,000	07/01/15	4.27%	-	25,000,000	(191,431)	24,808,569	2040
Marist College Series 2012A	13,420,000	05/17/12	4.00-5.00%	12,570,000	-	(1,560,000)	11,010,000	2021
Marist College Series 2013A	14,710,000	03/28/13	2.00-4.00%	14,430,000	-	(285,000)	14,145,000	2043
Marist College Series 2013B	33,045,000	09/12/13	Bank Rate	32,620,203	-	(1,605,269)	31,014,934	2035
Marist College Series 2015A	80,885,000	07/01/15	5.00%	-	80,885,000	-	80,885,000	2046
Millbrook School Series 2013 A&B	23,000,000	08/29/13	3.25%	22,791,000	-	(215,000)	22,576,000	2043
Poughkeepsie Day School Series 2010	3,105,000	12/29/10	4.25%	2,467,057	-	(177,478)	2,289,579	2025
Trinity-Pawling School Series 2013	18,830,000	12/02/13	Bank Rate	18,127,765	-	(731,939)	17,395,826	2032
Vassar College Series 2013A	87,085,000	06/06/13	4.125-5.00%	87,085,000	-	-	87,085,000	2050
Totals	<u>\$ 496,572,664</u>			<u>\$ 368,279,294</u>	<u>\$ 105,885,000</u>	<u>\$ (12,865,788)</u>	<u>\$ 461,298,506</u>	

See Independent Auditors' Report.

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
SCHEDULE OF SUPPLEMENTAL INFORMATION (CONT'D.)
FOR THE YEAR ENDED DECEMBER 31, 2015

PROJECTS						
2010-02	2011-01	2011-02	2010-01	2012-02	2014-01	2015-2
Anderson Center for Autism	CHF- CIA, LLC	Dutchess Community College	Health Quest Systems, Inc. 2010	Health Quest Systems, Inc. 2012	Health Quest Systems, Inc. 2014	HV Property Holdings LLC

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

# FTEs before LDC status	390	0	0	1,707	1,644	691	231
Original Estimate of Jobs to be Created	6	1	4	22	0	16	0
Original Estimate of Jobs to be Retained	390	0	0	1,707	1,644	691	231
Current # of Tenants	0	0	0	0	0	56	0
Total # of FTEs	683	1	12	1,774	0	430	189
Jobs Created to Date	293	1	12	67	0	(261)	(42)

*PARIS amounts may differ due to software constraints.

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Dutchess County, New York)
SCHEDULE OF SUPPLEMENTAL INFORMATION (CONT'D.)
FOR THE YEAR ENDED DECEMBER 31, 2015

PROJECTS							
2012-01	2013-01	2013-04	2015-01	2013-05	2010-03	2013-06	2013-02
Marist College 2012A	Marist College 2013A	Marist College 2013B	Marist College 2015	Millbrook School	Pough- keepsie Day School	Trinity Pawling School	Vassar College

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

# FTEs before LDC status	807	807	825	992	112	56	99	97
Original Estimate of Jobs to be Created	0	0	0	27	5	0	4	2
Original Estimate of Jobs to be Retained	807	807	825	992	112	56	99	97
Current # of Tenants	0	0	0	0	0	0	0	0
Total # of FTEs	0	0	0	999	123	58	107	80
Jobs Created to Date	0	0	0	7	11	2	8	(17)

*PARIS amounts may differ due to software constraints.

OTHER REPORTING REQUIRED
by GOVERNMENT AUDITING STANDARDS

**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 Local Development Corporation
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 Local Development Corporation ("Corporation"), a component unit of Dutchess County, New York, as of and for the years ended December 31, 2015 and 2014, 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 1, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Dutchess County Local Development 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 opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Dutchess County Local Development 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 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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Dutchess County Local Development Corporation'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 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.

Sedall & Company, CPA's

Poughkeepsie, New York
March 1, 2016