

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT
OF DUTCHESS COUNTY, NEW YORK)
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
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DECEMBER 31, 2010 AND 2009**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Statements of Net Assets of the Dutchess County Industrial Development Agency, a component unit of Dutchess County, New York, as of December 31, 2010 and 2009, and the related Statements of Revenues, Expenses and Changes in Net Assets, and Cash Flows for the years then ended. These financial statements are the responsibility of the Agency's management. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2010 and 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2011, 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*, and should be considered in assessing the results of our audit.

Poughkeepsie Office

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POUGHKEEPSIE • PORT JERVIS • FISHKILL

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, listed in the Table of Contents, 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.

Our audit was conducted for the purpose of forming opinions 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 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.

Sedau Hudson Valley CPAs

Poughkeepsie, New York
March 25, 2011

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010 AND 2009**

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, 2010, 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 Assets in 2010 of \$61,460; the decrease in Net Assets for the year 2009 was \$407,101.

Fees for services increased \$82,887 in 2010. This was the result of the closing of two bond issues in 2010. During 2009 no bonds were issued. Interest earnings decreased in 2010 by \$12,928. This was due to lower interest rates.

Project expense and Grants decreased \$254,767. This was due to a reduction in available funds.

SUMMARY OF OPERATIONS

<u>REVENUES:</u>	<u>2010</u>	<u>2009</u>	<u>OVER/(UNDER)</u>
Fees	\$200,536	\$117,649	\$82,887
Interest Earnings	<u>18,249</u>	<u>31,177</u>	<u>(12,928)</u>
Total Revenues	<u>\$218,785</u>	<u>\$148,826</u>	<u>\$(69,959)</u>
<u>EXPENSES:</u>	<u>2010</u>	<u>2009</u>	<u>OVER/(UNDER)</u>
Projects and Grants	\$221,788	\$476,555	\$(254,767)
Administrative Expense	57,542	78,503	(20,961)
Depreciation	<u>915</u>	<u>869</u>	<u>46</u>
Total Expenses	<u>\$280,245</u>	<u>\$555,927</u>	<u>\$(275,682)</u>

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010 AND 2009**

FINANCIAL POSITION SUMMARY

Net Assets serve as an indicator of the Agency's financial position. The Agency's Net Assets were \$2,303,534 and \$2,364,994 at December 31, 2010 and 2009, respectively, a decrease of \$61,460 or 2.60%. Liabilities were \$16,140 and \$10,395 at December 31, 2010 and 2009, an increase of \$5,745. The decrease in Net Assets is mainly due to the fact that only two bond issues were generated during 2010.

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 ASSETS
DECEMBER 31, 2010 AND DECEMBER 31, 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash and Cash Equivalents	\$ 2,316,596	\$ 287,711
Certificates of Deposit	-	2,070,000
Accrued Interest Receivable	353	15,936
Prepaid Expenses	750	750
Total Current Assets	<u>2,317,699</u>	<u>2,374,397</u>
Non-Current Assets:		
Equipment, Net of Accumulated Depreciation of \$28,149 and \$27,234 respectively	<u>1,975</u>	<u>992</u>
Total Non-Current Assets	<u>1,975</u>	<u>992</u>
 TOTAL ASSETS	 <u><u>\$ 2,319,674</u></u>	 <u><u>\$ 2,375,389</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	<u>\$ 16,140</u>	<u>\$ 10,395</u>
Total Current Liabilities	<u>16,140</u>	<u>10,395</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	1,975	992
Unrestricted	<u>2,301,559</u>	<u>2,364,002</u>
Total Net Assets	<u>2,303,534</u>	<u>2,364,994</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 2,319,674</u></u>	 <u><u>\$ 2,375,389</u></u>

The Independent Auditors' Report and the Notes to the Financial Statements
should be read in conjunction with these financial statements.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

<u>REVENUES:</u>	<u>YEAR ENDED 2010</u>	<u>YEAR ENDED 2009</u>
Administrative, Transfer and Closing Fees for Transfer Agreements	\$ 200,536	\$ 117,649
Interest Income	<u>18,249</u>	<u>31,177</u>
Total Revenues	<u>218,785</u>	<u>148,826</u>
<u>EXPENSES:</u>		
Contractual and Project Costs	279,330	555,058
Depreciation Expense	<u>915</u>	<u>869</u>
Total Expenses	<u>(280,245)</u>	<u>(555,927)</u>
Excess of Revenues or (Expenses)	(61,460)	(407,101)
Net Assets, January 1, 2010 and 2009	<u>2,364,994</u>	<u>2,772,095</u>
Net Assets, December 31, 2010 and 2009	<u><u>\$ 2,303,534</u></u>	<u><u>\$ 2,364,994</u></u>

The Independent Auditors' Report and the Notes to the Financial Statements
should be read in conjunction with these financial statements.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	YEAR ENDED 2010	YEAR ENDED 2009
Cash Flows from Operating Activities:		
Receipts from providing services	\$ 200,536	\$ 117,649
Payments to contractors	(273,585)	(645,875)
Interest received	33,832	16,354
Net cash (used) by operating activities	(39,217)	(511,872)
Cash Flows from Investing Activities:		
Purchase/redemption of certificates of deposit	2,070,000	(1,001,147)
Net cash provided/(used) by investing activities	2,070,000	(1,001,147)
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(1,898)	-
Net cash (used) by capital and related financing activities	(1,898)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,028,885	(1,513,019)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	287,711	1,800,730
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$2,316,596</u>	<u>\$287,711</u>
Reconciliation of operating income (loss) to net cash provided (used)		
By operating activities		
Operating Income (Loss)	\$ (61,460)	\$ (407,101)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	915	869
Changes in Assets and Liabilities:		
Accrued Interest Receivable	15,583	(14,823)
Accounts Payable	5,745	(45,817)
Grant Payable	-	(45,000)
NET CASH (USED)		
BY OPERATING ACTIVITIES	<u>\$ (39,217)</u>	<u>\$ (511,872)</u>

The Independent Auditors' Report and the Notes to the Financial Statements
should be read in conjunction with these financial statements.

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Organization and Summary of Significant Accounting Policies

Organization and Operations

The Dutchess County Industrial Development Agency in Poughkeepsie, New York (IDA) 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 IDA is considered a component unit of Dutchess County, New York.

The IDA 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 IDA's function is to authorize the issuance of industrial revenue bonds for industrial development projects. The IDA reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The IDA 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 IDA 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.

Basis of Accounting

The financial statements of the IDA 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.

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2010 AND 2009**

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

Basis of Accounting (Continued)

In June 1999, the GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement which affect the financial statements of the IDA include the following:

Cash and Cash Equivalents

For the purpose of presenting the Statements of Cash Flows, the IDA 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 equivalent.

IDA monies are deposited in FDIC insured commercial banks or trust companies located within the State. The IDA 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 IDA or its agent in the IDA’s name. The IDA’s cash balances were fully collateralized with securities held by the IDA’s third party custodian and not subject to custodial credit risk.

2. 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:

	<u>2010</u>	<u>2009</u>
Computers and Equipment	\$30,124	\$ 28,226
<u>Less: Accumulated Depreciation</u>	<u>(28,149)</u>	<u>(27,234)</u>
Net Equipment	<u>\$1,975</u>	<u>\$992</u>

Depreciation expense amounted to \$915 and \$869 for the years ended December 31, 2010 and 2009, respectively.

**DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2010 AND 2009**

3. Industrial Revenue Bonds

Bonds authorized by the IDA and issued through various lending institutions are designated as special obligations of the IDA and payable solely from the revenues and other assets pledged as collateral against the bonds. While in most instances the IDA 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 IDA does not act as a guarantor in the event of default. Accordingly, recourse on the part of the lending institution against the IDA is limited to collateralization properties and revenues as specified in the body of the applicable financing agreement. Additionally, in each of these financings, the IDA 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 IDA does not reflect such bonds or related properties on its financial statements. Industrial revenue bonds authorized by the IDA and outstanding at December 31, 2010 and 2009 total \$461,539,142 and \$556,027,879, respectively.

4. 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 providing 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% - 3.75% 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.

5. 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 grant to the DCEDC of \$300,000 for a loan limited to "green loans."

DUTCHESS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2010 AND 2009

6. 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.

OTHER SUPPLEMENTAL INFORMATION

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
SCHEDULE OF INDEBTEDNESS
December 31, 2010**

Project Name	Original Issue Amount	Original Issue Date	Interest Rate	Outstanding Balance January 1, 2010	New Issue 2010	Principal Payments 2010	Outstanding Balance December 31, 2010	Final Maturity Date
Anderson Foundation	9,625,000	5/07	Variable	\$ 8,325,000	-	\$ 680,000	\$ 7,645,000	5/27
Anderson Foundation	15,000,000	12/07	Variable	14,145,000	-	680,000	13,465,000	6/29
Arbor Ridge at Brookmeade	19,845,000	9/07	Variable	15,255,000	-	1,925,000	13,330,000	9/37
Astor Learning Center	2,755,000	10/98	4.3%-5.15%	2,015,000	-	95,000	1,920,000	11/24
Bard College	84,195,000	8/00	4.65%-6%	73,125,000	-	73,125,000	0	8/30
Bard College	136,765,000	5/07	4%-5%	136,765,000	-	1,420,000	135,345,000	8/46
Brookview, Inc	10,610,000	9/07	Variable	8,610,000	-	-	8,610,000	9/37
Davies South Terrace	8,600,000	12/07	Variable	7,472,879	-	48,737	7,424,142	6/49
Elant at Fishkill, NY	17,145,000	1/07	5%-5.25%	16,420,000	-	725,000	15,695,000	1/37
Elant at Fishkill, NY	2,855,000	1/07	4%	2,855,000	-	-	2,855,000	1/37
Elant at Fishkill, NY	2,525,000	2/07	4.25%	2,355,000	-	-	2,355,000	1/37
Marist College	10,500,000	8/98	Variable	7,740,000	-	290,000	7,450,000	7/28
Marist College	15,000,000	1/99	Variable	11,695,000	-	415,000	11,280,000	7/28
Marist College	20,000,000	11/00	Variable	16,920,000	-	465,000	16,455,000	7/31
Marist College	33,000,000	3/03	1.80%-5.15%	22,315,000	-	2,415,000	19,900,000	7/22
Marist College	20,000,000	3/05	Variable	18,430,000	-	430,000	18,000,000	7/35
Marist College	20,000,000	1/08	Variable	19,620,000	-	395,000	19,225,000	7/38
Mechtronics	5,100,000	12/10	4.44%	-	5,100,000	-	5,100,000	12/26
Millbrook School	8,000,000	1/08	4.33%	8,000,000	-	-	8,000,000	1/28
Poughkeepsie Day School	3,275,000	10/97	Variable	1,865,000	-	190,000	1,675,000	10/17
St Francis Hospital	28,035,000	3/04	7.25%-7.5%	25,610,000	-	600,000	25,010,000	3/29
St Francis Hospital	9,430,000	6/07	6.70%	9,430,000	-	125,000	9,305,000	3/37
The Lutheran Center	15,720,000	4/05	Variable	14,215,000	-	410,000	13,805,000	2/35
Trinity Pawling School	5,800,000	2/98	Variable	3,200,000	-	300,000	2,900,000	2/18
Trinity Pawling School	17,200,000	10/02	Variable	15,385,000	-	410,000	14,975,000	10/32
Vassar College	50,000,000	2/01	5.35%	50,000,000	-	-	50,000,000	2/40
Vassar Hospital	14,250,000	4/00	6.50%	12,485,000	-	295,000	12,190,000	4/30
Vassar Hospital	17,000,000	4/04	Variable	13,650,000	-	13,650,000	0	4/22
Vassar Hospital	19,975,000	6/05	Variable	18,125,000	-	500,000	17,625,000	4/34
Totals	<u>\$622,205,000</u>			<u>\$556,027,879</u>	<u>5,100,000</u>	<u>\$99,588,737</u>	<u>\$461,539,142</u>	

A - The Vassar College bonds were defeased in 2007.

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
SCHEDULE OF SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010**

	PROJECTS				
	13020101A Vassar College	13021002 Adams Fairacre Farms	13020502A Lutheran Center	13020001A 13020401A 13020503A Vassar Hospital	13020301A 13020801 13029802A 13029901A, B,C Marist Marist College
Real Property Tax Exemptions:					
Sales Tax	\$ -	\$ 650,000	\$ -	\$ -	\$ -
Real Property Tax	-	-	-	-	-
Mortgage Recording	-	-	-	-	-
TOTALS	\$ -	\$ 650,000	\$ -	\$ -	\$ -
Payments in Lieu of Taxes (PILOTS):					
County	\$ -	\$ -	\$ -	\$ -	\$ -
Local	-	-	-	-	-
School	-	-	-	-	-
TOTALS	\$ -	\$ -	\$ -	\$ -	\$ -
FULL-TIME EQUIVALENT JOBS CREATED AND RETAINED (UNAUDITED):					
# FTEs before IDA status	853	0	153	1,292	589
Original Estimate of Jobs to be Created	6	225	NONE	47	61
Original Estimate of Jobs to be Retained	853	0	153	1,292	589
Current # of FTEs	995	0	188	1,663	935
# of FTE Construction Jobs during fiscal year	85	2	NONE	NONE	NONE
Net Employment Change	142	0	35	371	346

* - Retained employment figures represent employment levels at the Hospital at the time of the application. The Current # of FTEs represent employment levels of the project itself which are the tenants of the commercial medical building and do not reflect employment levels at the Hospital.

PROJECTS

13029903A 13020402A 13020705A St. Francis	1320704A 13020002A Bard College	Poughkeepsie Day School	13029801A 13020201A Trinity Pawling School	13029803A Astor Learning Center	13029906A St. Francis Hospital/ Columbia SFH
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	290,490
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,490</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,232
-	-	-	-	-	106,861
-	-	-	-	-	159,397
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,490</u>
1,225	724	50	85	4	1,165
16	NONE	5	NONE	6	NONE
1,225	724	50	85	4	1,165
1,124	715	61	93	38	415
NONE	NONE	NONE	NONE	0	NONE
(102)	(9)	11	8	34	(750)
					*

**DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF DUTCHESS COUNTY, NEW YORK)
SCHEDULE OF SUPPLEMENTAL INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010**

PROJECTS

	13029804A IBM Corporation	13020601A GPSDC (GAP) New York, Inc.	13020703A 13020708A Anderson Foundation for Autism, Inc.	13020706A Arbor Ridge Brookmeade, Inc.
Real Property Tax Exemptions:				
Sales Tax	\$ -	\$ -	\$ -	\$ -
Real Property Tax	-	3,676,247	-	10,804
Mortgage Recording	-	-	-	-
TOTALS	\$ -	\$ 3,676,247	\$ -	\$ 10,804

Payments in Lieu of Taxes (PILOTS):

County	\$ -	\$ 220,661	\$ -	\$ 24,011
Local	-	267,639	-	17,053
School	-	1,219,903	-	15,000
TOTALS	\$ -	\$ 1,708,203	\$ -	\$ 56,064

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

# FTEs before IDA status	882	NONE	NONE	NONE
Original Estimate of Jobs to be Created	92	1,150	NONE	NONE
Original Estimate of Jobs to be Retained	882	NONE	NONE	NONE
Current # of FTEs	7,914	549	376	20
# of FTE Construction Jobs during fiscal year	NONE	NONE	172	NONE
Net Employment Change	7,032	549	376	20

PROJECTS

13020707A Brookview Inc.	13020709A Davies Southeast Terrace	13020701A 13020702A Elant at Fishkill	13020601 Southeastern Container, Inc.	13020802 Millbrook School Inc.	13021001 Mechtronics Corporation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,489
-	370,912	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 370,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,489</u>
\$ -	\$ 16,312	\$ -	\$ -	\$ -	\$ -
-	49,396	-	-	-	-
-	93,835	-	-	-	-
<u>\$ -</u>	<u>\$ 159,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NONE	NONE	NONE	80	87	34
NONE	NONE	NONE	5	2	135
NONE	NONE	NONE	80	85	34
17	3	266	61	103	34
NONE	NONE	NONE	NONE	NONE	NONE
17	3	266	(19)	16	0

**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 the financial statements of the business-type activities of the Dutchess County Industrial Development Agency (the Agency), as of and for the year ended December 31, 2010, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 25, 2011. 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.

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 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.

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

This report is intended solely for the information and use of management, the Chairman, and the Agency Board, and is not intended to be, and should not be, used by anyone other than these specified parties.

Seolan Hudson Valley CPAs

Poughkeepsie, New York
March 25, 2011