



Greater Southern Dutchess

CHAMBER OF COMMERCE

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October 23, 2006

Hon. Diane Jablonski
Dutchess County Comptroller
22 Market Street
Poughkeepsie, New York 12601

Dear Ms. Jablonski:

I am writing in response to the audit report of the Hudson Valley Stadium Corporation for period January 1, 2005 to December 31, 2005.

The Chamber implemented a number of improvements to our processes and procedures as they relate to the overall operations and management of Dutchess Stadium on behalf of the Hudson Valley Stadium Corporation (HVSC) since I arrived at the Chamber in March of 2005. I believe this audit report reflects some of those changes.

I am also pleased that your office took the time in the report to distinguish the fact that HVSC records are reported on a cash basis (that is, recognizing revenue when cash is received and recognizing expenses when payments are made). This goes a long way in explaining the apparent negative net proceeds of (\$2,655.82)—a misnomer in terms of the true financial picture of Stadium operations. Indeed, the HVSC management function of the Stadium has led to increased efficiencies and facility improvements that have helped position Dutchess Stadium as a very successful and financially stable ballpark. The Chamber takes pride in our involvement with the HVSC at the Stadium; we believe we will have left it in a solid financial position for the anticipated direct relationship between Dutchess County and the Hudson Valley Renegades (HVR) as of January 1, 2007.

There are, however, a certain number of items in dispute in the audit report that I would like to bring to your attention:

1. The chart on page 4 is of general concern. It includes significant "due to" items, particularly from 2004. Some of those items (\$3,000) have since been collected; others (totaling \$4,600 in stadium rental, management and HVR fees) were in dispute in last year's audit response and remain in dispute with the Comptroller's office.
2. A fairly consistent finding by the Comptroller's office over the years relates to the collection of outstanding fees for special events. Similarly and as noted above, this has resulted in a fairly consistent dispute by the Chamber.

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For those items in which we agree, the HVSC sent collection notices to vendors regarding outstanding accounts receivables and with some, have made collections on the debt. We dispute \$2,850 of the estimated uncollected Special Event expenses noted in your report because reviewers continue to include management fees and HVR fees that are not billed separately per a decision by the HVSC Board. That decision is clearly delineated in HVSC Board minutes but nonetheless, remains counted among the outstanding receivables outlined by your office (page 5 and Exhibit VI).

3. I continue to take exception to audit findings that question internal controls of stadium parking permits. All parking permits were (and are) physically accounted for. The skip in sequence reflects the parking permits which are issued to long-standing "repeat customers" and season ticket holders (long-standing parking permit holders maintain the same numbered parking pass, year after year, often per their request). If a customer did not return to renew his parking permit, that number was simply not reissued (page 8).
4. The auditors noted that one deposit was incorrectly made to the 50/50 raffle account. At the time, the error—an anomaly of process—was quickly identified and corrected (page 9).
5. Due to rain outs and rescheduling (details which were provided to reviewers), the amount owed by NY Hurricanes is very much in dispute (page 10).
6. Once again, management fees and HVR fees are incorporated in rental fees, as described above (page 11).
7. Manhattan College was, in fact, billed for the practice game to reimburse the HVSC for HVR field prep. Unfortunately, we have, to date, been unsuccessful in our attempts to collect payment from the College (page 12).
8. The 2005 special event payment to the Beacon City School District was paid in 2006 (page 12).
9. Appropriate backup was, in fact, provided for reimbursed expenses that totaled \$863.75 (page 13).
10. The Chamber's formal contract with Keen Management includes Section 10, which states that, "in addition to providing year long maintenance of Dutchess Stadium..." A copy of that contract was provided to reviewers (page 13).
11. The Pitch For Kids Foundation "booth" is not a permanent structure (it is on wheels) (page 14).

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12. Finally and as mentioned above, we have some significant differences relating to uncollected reimbursable expenses-special events (Exhibit VI, page 22). In order to be as comprehensive as possible, our disputes are outlined further below:
- a. Fair Productions Inc. - \$250 Management fee (as noted in this response, the management fee is included in the stadium rental fee. The management fee was never invoiced by HVSC as a separate charge).
 - b. MAAC Tournament - \$450 Management fee (as noted in this response, the management fee is included in the stadium rental fee. The management fee was never invoiced by HVSC as a separate charge).
 - c. Pamal Extreme Rides - \$250 Management fee (the management fee, in this particular case, was invoiced on 05/15/05 and payment was received on 06/14/05).
 - d. Pamal Import Invasion- \$300 cleaning fee (the parking lot cleaning fee was invoiced on 06/30/05 and payment was not received. A collection letter was sent 07/06).
 - e. K104 Fest - \$250 Management fee, \$300 cleaning fee (as noted in this response, the management fee is included in the stadium rental fee. The management fee was never invoiced by HVSC as a separate charge; the list of additional charges has a separate parking lot cleaning fee for "parking lot events" and is not applicable to K104 fest).
 - f. Westchester Wolfpack - \$375 HVR Fees (Westchester Wolfpack were invoiced \$225 for lights usage on 08/04/05; payment has not been received. A collection letter was sent 07/06).

As noted above and per a decision by the HVSC Board (and as reflected in HVSC Board minutes), all stadium rental fees for baseball games to non-profit organizations and high schools are inclusive of management fees and HVR field prep fees. In conclusion, we dispute the total Uncollected Reimbursable Expenses-Special Events of \$3,675; based on the above information, our records reflect the total accounts receivable for Special Events expenses as \$525.00.

Please let me know if you would like to discuss any of the above items in greater detail.

Sincerely,



Ann M. Meagher
President & CEO

cc: Robert Ostertag, Chairman
Hudson Valley Stadium Corporation Board