

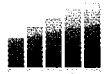
**HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF THE CITY OF HUDSON, NY)  
AUDIT REPORT AND  
FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
AUDIT REPORT AND  
FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

TABLE OF CONTENTS

---

Independent Auditor's Report	1-2
Management Discussion and Analysis	3-4
Statements of Net Assets	5
Statements of Revenues, Expenses and Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	8-12
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14
Supplemental Information	15
Statement of Revenue and Expenses- Budget and Actual	16
Schedule of Conduit Debt Obligations	17
Schedules of Projects and Exemptions	18
Schedule of PILOTS and Full Time Equivalent Jobs	19



**Shallo, Galluscio, Bianchi & Fucito**  
*Certified Public Accountants, P.C.*

Dom Shallo, CPA  
Robert Galluscio, CPA  
Rick Bianchi, CPA  
Scott D. Shallo, CPA, Esq.  
Thomas Fucito, CPA

To the Chairman and Board of Hudson  
Industrial Development Agency

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the Hudson Industrial Development Agency (the "Agency"), a component unit of the City of Hudson, New York, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Agency's basic financial statements as listed in the table of contents. 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 audits.

Except as discussed in the following paragraph, 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 audits 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 audits provide a reasonable basis for our opinion.

We were not able to obtain sufficient information supporting the year-end balances for the Agency's Property and Plant, nor were we able to satisfy ourselves through the use of alternative auditing procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the balances and financial activities in the Property and Plant accounts, the financial statements referred to above present fairly, in all material respects, the financial position of the Hudson Industrial Development Agency as of December 31, 2010 and 2009, and the respective changes in financial position, and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

To the Chairman and Board of Hudson  
Industrial Development Agency

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2011, on our consideration of the Hudson 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 the 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 audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3, 4 and 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 15 through 18, which were extracted for the Annual Financial Report to the New York State Comptroller, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.



SHALLO, GALLUSCIO, BIANCHI & FUCITO  
CERTIFIED PUBLIC ACCOUNTANTS, PC  
June 16, 2011  
Hudson, New York

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
DECEMBER 31, 2010 AND 2009

**1. Introduction**

Within this section of the Hudson Industrial Development Agency's (the Agency) financial statements, the Agency's management provides narrative discussion and analysis of the financial activities of the Agency for the year ended December 31, 2010. This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements as of and for the fiscal year ended December 31, 2010.

**2. Overview of the Financial Statements**

The Agency's basic financial statements include: (1) financial statements, (2) notes to the financial statements, and (3) supplementary information.

**A. Financial Statements**

The Agency's financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. These statements are designed to afford an overview of the Agency's finances and consist of the Statement of Net Assets, Statement of Revenue, Expenses and Changes in Net Assets, and the Statement of Cash Flows.

**B. Notes to Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the basic financial statements.

**C. Supplementary Information**

The Statement of Revenue and Expenditures - Budget and Actual provides a comparison of budget and actual information for the Agency's operating accounts. Supplementary information begins immediately following the notes to the financial statements.

**3. Financial Highlights**

The following items are the financial highlights experienced by the Hudson Industrial Development Agency during the year ended December 31, 2010:

The overall net assets of the Agency decreased by \$9,999 and \$18,087 during the year ended December 31, 2010 and 2009, respectively.

The Agency's total revenue was \$272,296 during 2010 as compared with \$316,882 during 2009, due to the termination of certain PILOT agreements, and an increase in lease income.

The Agency's total expenditures were \$282,295 during 2010 as compared to \$334,969 during 2009, due to additional legal fees paid in 2009 from PILOT terminations.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
DECEMBER 31, 2010 AND 2009

**4. Financial Statement Analysis**

Below is a comparative summary of the Agency's Statement of Net Assets as of December 31:

	<u>2010</u>	<u>2009</u>
Assets:		
Current assets	\$ 305,608	\$ 53,205
Capital assets, net of accumulated depreciation	148,143	156,016
Total assets	<u>\$ 453,751</u>	<u>\$ 209,221</u>
Liabilities:		
Current liabilities	300,263	45,734
Total liabilities	<u>300,263</u>	<u>45,734</u>
Net Assets:		
Invested in capital assets	148,143	156,016
Net assets, unrestricted	5,345	7,471
Total net assets	<u>153,488</u>	<u>163,487</u>
Total liabilities and net assets	<u>\$ 453,751</u>	<u>\$ 209,221</u>

The Agency's current assets primarily consist of cash and PILOT receivables. Funds received from various entities that participate in the Agency's PILOT program are deposited and then disbursed to the appropriate taxing jurisdictions. Current liabilities increased primarily due to the timing of payments of PILOTS payable for 2010. Net assets decreased by \$9,999 and \$18,087 at December 31, 2010 and 2009 as a result of activities of the Agency as summarized below.

	<u>2010</u>	<u>2009</u>
Revenues		
PILOT receipts	\$ 265,811	\$ 487,102
Interest	304	1,151
Other income	6,181	1,500
Total revenue	<u>272,296</u>	<u>489,753</u>
Expenditures	<u>282,295</u>	<u>507,840</u>
Total revenue in excess of (deficiency) of expenditures	(9,999)	(18,087)
Net assets, beginning of the year	<u>163,487</u>	<u>181,574</u>
Net assets, end of the year	<u>\$ 153,488</u>	<u>\$ 163,487</u>

Revenues are derived primarily from administrative fee income, interest income, and PILOT payments received from organizations. Expenditures consist primarily of professional fees for legal and accounting services, and PILOT payments remitted for county, local, and school.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 STATEMENTS OF NET ASSETS  
 DECEMBER 31, 2010 AND 2009

ASSETS

	2010	2009
Current assets:		
Cash and cash equivalents	\$ 305,608	\$ 29,293
PILOT receivable	None	23,912
Total current assets	305,608	53,205
Property and plant, net of accumulated depreciation	148,143	156,016
Total assets	\$ 453,751	\$ 209,221

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 7,600	\$ 12,500
PILOT payable	292,663	33,234
Total current liabilities	300,263	45,734
Net assets:		
Unrestricted, fixed assets	148,143	156,016
Unrestricted	5,345	7,471
Total net assets	153,488	163,487
Total liabilities and net assets	\$ 453,751	\$ 209,221

See accompanying notes and auditor's report.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Revenues:	2010	2009
PILOT income	\$ 265,811	\$ 312,399
Interest and Penalties	304	2,983
Other income	6,181	1,500
Total revenues	<u>272,296</u>	<u>316,882</u>
Expenses:		
PILOT payments	265,811	315,859
Accounting and auditing fees	6,700	7,600
Legal fees	1,911	3,637
Depreciation	7,873	7,873
Total expenses	<u>282,295</u>	<u>334,969</u>
Net decrease in net assets	(9,999)	(18,087)
Net assets, beginning	<u>163,487</u>	<u>181,574</u>
Net assets, ending	<u>\$ 153,488</u>	<u>\$ 163,487</u>

See accompanying notes and auditor's report.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
PILOT receipts	\$ 283,617	\$ 485,270
Other income received	6,181	1,500
Penalties and Interest received	304	2,983
PILOT payments	None	(519,230)
Operating expenses paid	(13,787)	(5,037)
Net cash provided by operating activities	276,315	(34,514)
Cash flows from investing activities:	None	None
Cash flows from financing activities:	None	None
Net increase in cash and cash equivalents	276,315	(34,514)
Cash and cash equivalents at beginning of year	29,293	63,807
Cash and cash equivalents at end of year	\$ 305,608	\$ 29,293
Reconciliation of Change in Net Assets to Net Cash		
Change in Net Assets	\$ (9,999)	\$ (18,087)
Depreciation	7,873	7,873
Changes in assets and liabilities:		
Decrease in PILOT receivable	23,912	119,155
Decrease in due from City of Hudson	None	53,716
Decrease in PILOT Overpayment	None	(26,862)
Increase in accounts payable	(4,900)	6,200
Decrease in PILOT payable	259,429	(176,509)
Net cash provided by operating activities	\$ 276,315	\$ (34,514)

See accompanying notes and auditor's report.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**NOTE A--NATURE OF THE ORGANIZATION**

The Agency was created in 1975 by the City of Hudson under the provisions of the Laws of New York State for the purpose of encouraging economic growth in the City of Hudson. The Agency is exempt from federal, state and local income taxes. The Agency is a component unit of the City of Hudson.

The Agency's function is to promote, develop and encourage reconstructing, improving and maintaining manufacturing, warehousing, and commercial facilities to promote job opportunities and economic welfare for the people of the City of Hudson, New York. This is done through administering PILOTS, and bond agreements.

Payment in lieu of taxes (PILOTS):

The Agency enters into and administers PILOT agreements for various companies in the City of Hudson. The PILOT agreements are entered into between the Agency and a third party business. Title to Property owned by the third party business is transferred to the Agency for a period of time. During the term of the agreement when the Agency holds the title to the property, the third party business pays the Agency an annual amount based on a calculation derived by a formula in the agreement. The PILOTS allow the participants to make payments at a lower rate than if the company paid the property's assessed value at the current tax rates for county, city and school district. Certain requirements are to be met by the company to be able to maintain their PILOT. These requirements, stated in the PILOT agreement, can be comprised of reaching and maintaining certain employee goals and paying their PILOT in a timely fashion. This promotes employment and economic development. The Agency will in turn pay the respective tax authorities. At the completion of the PILOT program, title to the property is transferred back to the business owner and the property goes back on the tax rolls.

**NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:**

The financial statements of the Agency have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred. In accordance with accounting principles generally accepted in the United States of America, the Agency applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements to the extent that these pronouncements do not conflict with GASB pronouncements. The Agency applies FASB pronouncements, issued, on or after November 30, 1989.

**Use of Estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2010 AND 2009

**NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue Recognition:**

Income generated from administrative and lease fees are recognized in the period the services are performed. PILOT receipts and PILOT payments related to the property not owned by the Agency to the respective taxing authorities are accounted for as pass-through transactions and are not included in revenues or expenses of the Agency. The Agency has the responsibility for collections and remitting the funds, but the City of Hudson, NY ultimately bears the risk of loss if PILOT payments are not paid to the Agency by the respective Companies.

**Property and Plant:**

Property and Plant recorded on the financial statements are stated at cost. The Agency does not have complete records regarding assets that the Agency may or may not hold title to. The assets' recorded values are based on historic costs paid for these projects. It is the Agency's policy to capitalize new expenditures for additions, improvements and major renewals which extend the life of an asset, whereas expenditures for maintenance and repairs are charged to operations when incurred. Gains and losses from sales or other dispositions of depreciable property are included in current operations.

**Depreciation:**

Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets.

**Concentrations of Credit Risk:**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of a checking account and Payment in Lieu of Taxes (PILOT) receivables. The Organization maintains its cash account at a local financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has not experienced any losses with respect to its cash account. Based upon assessment of the financial condition of this institution, management believes that the risk of loss on any unsecured balance is minimal. The amount of funds subject to credit risk is \$55,608 and \$0 at December 31, 2010 and 2009, respectively.

	Bank	Book
	Balance	Balance
Bank of Greene County	\$ 305,608	\$ 305,608

**PILOT Receivables:**

The amount of PILOT receivable at December 31, 2010 and 2009 is \$0 and \$23,912, respectively. No provision for doubtful accounts has been made at December 31, 2010 and 2009, as management considers all amounts fully collectible.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2010 AND 2009

**NOTE C--PROPERTY AND PLANT**

Property and plant recorded on the financial records are stated at cost and consisted of the following at December 31, 2010 and 2009. The Agency does not have any records regarding any assets that the Agency may or may not hold title to. The assets listed below are recorded based on historic costs paid for these projects. For these assets the Agency provides for depreciation on a straight-line basis at annual rates that will expense the depreciable property over the respective estimated useful lives. Depreciation expense amounted to \$7,873 for both of the years ended December 31, 2010 and 2009.

	<u>Cost</u>	<u>Depreciable Lives</u>
Land	\$ 40,000	n/a
Site preparation costs	11,483	15 years
Infrastructure improvements	<u>248,000</u>	31.5 years
Total property, plant and equipment	299,483	
Accumulated depreciation	<u>(151,340)</u>	
Total property, plant and equipment - net	<u>\$ 148,143</u>	

**Land – North Second Street Industrial Park:**

In December 1985, a transfer of ownership of land, North Second Street Industrial Park, from the Hudson Development Corporation to Hudson Industrial Development Agency was made. Cost of the land was \$60,000 and consists of 75 acres of land on North Second Street Industrial Park. This transfer was made in order to facilitate the deal between Emsig Corporation and the Hudson Industrial Development Agency. In 2003 the Hudson Community Development and Planning Agency and the Hudson Development Corporation forgave \$20,000 of debt with the Hudson Industrial Development Agency that was originally used to finance the land. The cost of the land at December 31, 2003 was \$40,000.

**Infrastructure Improvements – Emsig Manufacturing Corp.:**

As part of the Emsig Manufacturing Corp. UDAG Project, the Hudson Industrial Development Agency has agreed to provide up to \$250,000 of costs for infrastructure improvements. Total expenditures for construction of the road, water and sewer systems, and the backflow valve building amount to \$292,399 at July 31, 1987. The Hudson Industrial Development Agency provided \$248,000 toward these infrastructure improvements.

**NOTE D--PILOT PAYABLES**

The Agency has several PILOT payments that it received/or accrued during the year ended December 31, 2010 and 2009 that are owed to the City of Hudson, Columbia County and the Hudson City School District. At December 31, 2010 and 2009 the agencies balance of amount due to these taxing agencies was \$292,663 and \$33,234, respectively.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**NOTE E--CONDUIT DEBT OBLIGATIONS**

From time to time, the Hudson Industrial Development Agency has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfer to the private-sector entity served by the bond issuance. Neither the City of Hudson, Hudson Industrial Development Agency, the State of New York, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. All outstanding bonds defeased in May of 2009. There were no bonds outstanding at December 31, 2010 or December 31, 2009.

**NOTE F--INDUSTRIAL REVENUE BONDS**

As stated above, the Hudson Industrial Development Agency has issued Industrial Revenue Bonds to help finance expansion and new business projects in the City of Hudson. It has been determined that the Hudson Industrial Development Agency is used primarily as a vehicle for the issuance of Industrial Revenue Bonds and according to the attorneys, the agency's liabilities with respect to these bonds are minimal.

**NOTE G--CONTINGENT LIABILITIES**

In February 2010, the State of New York assessed the Agency with an administrative service fee of \$21,549 for the 2009-2010 period payable by March 31, 2010. The Agency, along with other Industrial Development Agencies throughout New York State (which were also charged a similar fee), is currently disputing this fee. This fee was unexpected and had not been charged in the past. As a result of the dispute, the amount of any liability ultimately to be paid to New York State cannot be determined at this time.

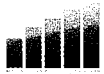
**NOTE H -- FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Organization's financial instruments consist primarily of cash and PILOT receivables. The Organization estimates that the fair value of all its financial instruments does not differ materially from the aggregate carrying values recorded in the accompanying balance sheets. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**NOTE I -- SUBSEQUENT EVENTS**

Events that occur after the Statements of Net Assets but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the Statements of Net Assets are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the Statements of Net Assets require disclosure in the accompanying notes. Management evaluated the activity of the Agency through June 16, 2011 (the date the financial statements were available to be issued). As of June 16, 2011, all PILOT payables open at December 31, 2010 had been paid. Management determined that there were no further subsequent events that would require recognition in the financial statements or disclosure in the notes to the financial statements



To the Chairman and the Board of  
Hudson Industrial Development Agency

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*

We have audited the financial statements of Hudson Industrial Development Agency as of and for the years ended December 31, 2010 and 2009 and have issued our report thereon dated June 16, 2011. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Hudson 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 Hudson Industrial Development Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hudson 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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.

To the Chairman and the Board of  
Hudson Industrial Development Agency

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hudson 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 audits, 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*.

We noted certain matters that we reported to management of Hudson Industrial Development Agency in a separate letter dated June 16, 2011.

This report is intended solely for the information and use of management, others within the Agency, awarding agencies, the Board of Directors and the City of Hudson's Common Council and is not intended to be and should not be used by anyone other than these specified parties.



SHALLO, GALLUSCIO, BIANCHI & FUCITO  
CERTIFIED PUBLIC ACCOUNTANTS, PC  
Hudson, New York  
June 16, 2011

**SUPPLEMENTAL INFORMATION**

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 STATEMENT OF REVENUES, EXPENSES-BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues:</b>			
PILOT income	\$ 256,290	\$ 265,811	\$ 9,521
Interest & Penalties	576	304	(272)
Other income	None	6,181	6,181
Total revenues	<u>256,866</u>	<u>272,296</u>	<u>15,430</u>
-			
<b>Expenses:</b>			
PILOT payments	251,034	265,811	(14,777)
Professional service contracts	9,000	8,611	389
Depreciation	7,873	7,873	-
Total expenses	<u>267,907</u>	<u>282,295</u>	<u>(14,388)</u>
Change in net assets	<u>\$ (11,041)</u>	<u>\$ (9,999)</u>	<u>\$ 1,042</u>

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF CONDUIT DEBT OBLIGATIONS  
 DECEMBER 31, 2010 AND 2009

<u>Bonds Listing</u>	<u>Month and Year</u>	<u>Interest Rate</u>	<u>Outstanding</u>		<u>Principal Paid During Year</u>	<u>Outstanding Balance End of Year</u>	<u>Final Maturity Date</u>
			<u>Balance Beginning of the Year</u>	<u>Issued During Year</u>			
Hudson Fabrics, LLC	5/04	6.000%	\$ 250,000	None	\$ 250,000	None	2012
Hudson Fabrics, LLC	5/04	6.750%	<u>1,255,000</u>	<u>None</u>	<u>1,255,000</u>	<u>None</u>	2024
			<u>\$ 1,505,000</u>	<u>None</u>	<u>\$ 1,505,000</u>	<u>None</u>	

In May 2009, these bonds were paid in full.

There was no outstanding bonds at December 31, 2010 and 2009.

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF PROJECTS AND RELATED TAXES

Project Code	Project Owner	Real Property	Real Property	Real Property	Sales Tax	Mortgage	Totals
		Tax Amount Local/City	Tax Amount County	Tax Amount School		Recording Tax	
1002-90-001	Anthony Concra & Assoc.	\$ 41,462	\$ 18,287	\$ 44,577	None	None	\$ 104,326
1002-97-003	HRBT Drive-up Addition	18,566	7,848	20,092	None	None	46,506
	Total Amount of Taxes	\$ 60,028	\$ 26,135	\$ 64,669	None	None	\$ 150,832

HUDSON INDUSTRIAL DEVELOPMENT AGENCY  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF PILOTS AND FULL TIME EQUIVALENT JOBS

Project Code	County PILOT	Local PILOT	School PILOT	Total PILOTS	# of FTE Employees at Project Location Before IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# of Current FTE Employees	# of FTE Construction Jobs Created During Fiscal Year
1002-90-001	\$ 37,500	None	None	\$ 37,500	100	None	100	146	N/A
1002-97-003	\$ 6,749	\$ 15,301	\$ 19,171	\$ 41,221	None	None	None	None	N/A