

THE NORTH HUDSON SEWERAGE AUTHORITY  
STATEMENT OF NET ASSETS  
FOR THE YEARS ENDED

EXHIBIT A

<u>ASSETS</u>	<u>January 31, 2011</u>	<u>January 31, 2010</u>
Unrestricted Assets:		
Cash and Cash Equivalents	\$2,621,554.30	\$2,313,385.07
Investments	6,640,238.69	6,957,941.08
Accrued Interest	932.13	546.52
Prepaid Expenses	957,836.84	902,977.13
Accounts Receivable - net of allowance	12,045,720.10	9,948,535.41
Total Unrestricted Assets	22,266,282.06	20,123,385.21
Temporarily Restricted Assets:		
Cash and Cash Equivalents	4,244,374.22	4,405,295.96
Investments	23,838,623.51	36,330,674.91
Accrued Interest Receivable	16,325.29	902.85
Due From Infrastructure Trust Fund	65,217,676.00	46,314,944.00
Total Temporarily Restricted Assets	93,316,999.02	87,051,817.72
Net Property, Plant and Equipment		
Land	58,534,862.59	58,534,862.59
Construction in Progress	12,023,224.16	6,301,990.90
Property , Plant and Equipment (Net of accumulated depreciation \$ 48,962,883.52 and \$45,169,251.55)	244,256,961.27	241,961,614.64
Total Net Property, Plant and Equipment	314,815,048.02	306,798,468.13
Other Assets		
Unamortized Cost of Issuance (Net)	3,836,334.59	4,470,278.64
Unamortized Debt Discount (Net)	340,950.56	370,159.35
Total Other Assets	4,177,285.15	4,840,437.99
<b>TOTAL ASSETS</b>	<b>\$434,575,614.25</b>	<b>\$418,814,109.05</b>

The notes to the financial statements are an integral part of these statements.

THE NORTH HUDSON SEWERAGE AUTHORITY  
STATEMENT OF NET ASSETS  
FOR THE YEARS ENDED

EXHIBIT A

	<u>January 31, 2011</u>	<u>January 31, 2010</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities from Unrestricted Assets:		
Accounts Payable and Accrued Expenses	\$524,375.10	\$515,395.35
Overpayments of Sewer Fees	184,247.12	205,220.45
	<u>708,622.22</u>	<u>720,615.80</u>
Total Current Liabilities from Unrestricted Assets		
Current Liabilities from Restricted Assets:		
Bonds Payable	18,752,240.26	11,170,030.02
Accrued Interest Payable	5,226,378.14	5,287,116.89
Construction Contracts Payable	974,876.87	280,850.57
	<u>24,953,495.27</u>	<u>16,737,997.48</u>
Total Current Liabilities from Restricted Assets		
Total Current Liabilities		
	<u>25,662,117.49</u>	<u>17,458,613.28</u>
Long Term Portion of Liabilities		
Note Payable	37,750,000.00	37,750,000.00
Bonds and Infrastructure Loans Payable	294,334,004.11	293,606,452.20
	<u>332,084,004.11</u>	<u>331,356,452.20</u>
Total Liabilities		
	<u>357,746,121.60</u>	<u>348,815,065.48</u>
Net Assets:		
Invested in Capital Assets, Net of related debt	33,428,199.78	20,389,498.91
Restricted - Other	6,467,050.11	6,461,341.44
Unrestricted	36,934,242.76	43,148,203.22
	<u>76,829,492.65</u>	<u>69,999,043.57</u>
Total Net Assets		
	<u>76,829,492.65</u>	<u>69,999,043.57</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	<u>\$434,575,614.25</u>	<u>\$418,814,109.05</u>

The notes to the financial statements are an integral part of these statements.

THE NORTH HUDSON SEWERAGE AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
RESTRICTED AND UNRESTRICTED

EXHIBIT B

	January 31, 2011		January 31, 2010		Jan. 31, 2010
	Unrestricted	Restricted	Unrestricted	Restricted	
Operating Revenues/Transfers:					
User Charges	\$36,757,781.58		\$33,947,393.66		\$33,947,393.66
Other Income/Interest	310,575.34		233,062.08		233,062.08
Connection Fees	1,393,728.77		3,157,398.59		3,157,398.59
Total Revenues and Transfers	38,462,085.69	0.00	37,337,854.33	0.00	37,337,854.33
Operating Expenses/Transfers:					
Costs of Providing Services	13,426,051.84		12,882,872.45		12,882,872.45
Depreciation Expenses	3,993,977.60		3,868,822.31		3,868,822.31
General and Administrative	2,355,235.19		2,139,871.03		2,139,871.03
Bad Debt Expense	250,000.00		565,311.59		565,311.59
Total Expenses and Transfers	20,025,264.63	0.00	19,456,877.38	0.00	19,456,877.38
Operating Income	18,436,821.06	0.00	17,880,976.95	0.00	17,880,976.95
Non-Operating Revenue/(Expense):					
Interest - Restricted		5,708.67		10,674.57	10,674.57
Grant Revenue	6,506,333.00		6,506,333.00		6,506,333.00
Reallocation of Grant Revenue to Invested In Capital Assets			85,939.00	(85,939.00)	85,939.00
Interest Expense	(13,195,440.90)		(12,550,916.14)		(12,550,916.14)
Amortization of Easement	(12,666.67)		(12,666.67)		(12,666.67)
Amortization of Deferred Expenses	(4,910,306.08)		(2,001,677.38)		(2,001,677.38)
Total Non-Operating Revenue/(Expense)	(11,612,080.65)	5,708.67	(14,479,321.19)	(75,264.43)	(14,554,585.62)
Change in Net Assets	6,824,740.41	5,708.67	3,401,655.76	(75,264.43)	3,326,391.33
Net Assets Beginning of Year	63,537,702.13	6,461,341.44	60,136,046.37	6,536,605.87	66,672,652.24
Net Assets, End of Year	\$70,362,442.54	\$6,467,050.11	\$63,537,702.13	\$6,461,341.44	\$69,999,043.57
Invested in Capital Assets, Net of Related Debt	\$ 33,428,199.78		\$ 33,428,199.78		\$20,389,498.91
Restricted - Other		6,467,050.11		6,461,341.44	6,461,341.44
Unrestricted	36,934,242.76		43,148,203.22		43,148,203.22
	\$70,362,442.54	\$6,467,050.11	\$63,537,702.13	\$6,461,341.44	\$69,999,043.57

The notes to the financial statements are an integral part of these statements.

THE NORTH HUDSON SEWERAGE AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED

EXHIBIT C

	<u>January 31, 2011</u>	<u>January 31, 2010</u>
<b>Cash Flows from Operating Activities:</b>		
Cash Received from User Collections	\$34,269,254.06	\$30,747,299.87
Cash Received from Overpayments of User Fees	184,247.12	205,220.45
Cash Received from Misc.	15,528.00	44,327.74
Cash Received for Connection Fees	1,393,728.77	3,157,398.59
Cash Payments for Goods and Services	(13,882,497.65)	(13,147,022.52)
Cash Payments for Employees and Taxes	(475,339.72)	(477,518.08)
Cash Payments for Prepaid Expenses	(957,836.84)	(902,977.13)
Cash Payments for Accounts Payable	(515,395.35)	(244,785.69)
Cash Payments for Refunds - User Charges	(45,145.59)	(13,310.90)
<b>Net Cash Provided(Used) by Operating Activities</b>	<u>19,986,542.80</u>	<u>19,368,632.33</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Transfer from Other Funds - Unrestricted	50,321,322.22	43,116,342.70
Transfer from Other Funds - Restricted	22,057,759.52	23,693,179.01
Transfer to Other Funds - Unrestricted	(54,651,793.64)	(52,351,089.90)
Transfer to Other Funds - Restricted	(17,727,288.10)	(14,458,431.81)
<b>Net Cash Provided(Used) by Non-Capital Financing Activities</b>	<u>0.00</u>	<u>0.00</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and Construction of Capital Assets	(10,916,495.29)	(6,253,924.37)
Payments for Capital Assets Accounts Payable	(280,850.57)	(301,120.71)
Note Proceeds	0.00	37,531,000.00
Transfer From Escrow for Defeasance	12,949,986.50	11,201,432.00
Defeased Debt	(12,949,986.50)	(11,201,432.00)
Transfer to Defeased Escrow Account	(12,856,519.25)	(11,606,430.25)
Principal Paid on Bonds	(1,455,000.00)	(2,600,000.00)
Principal Paid on Infrastructure Loans	(3,753,577.32)	(3,712,282.48)
Interest Paid on Bonds and Notes	(13,051,757.17)	(12,900,890.44)
Costs of Issuance	-	(809,134.38)
Infrastructure Loan/ Trust/ Grant Reimbursements	9,395,032.00	3,801,792.00
<b>Net Cash Provided(Used) by Capital and Related Financing Activities</b>	<u>(32,919,167.60)</u>	<u>3,149,009.37</u>
<b>Cash Flows from Investing Activities:</b>		
Investment/Interest Income - Unrestricted	264,409.83	199,850.36
Investment/Interest Income - Restricted	5,708.67	10,674.57
<b>Net Cash Provided(Used) by Investing Activities</b>	<u>270,118.50</u>	<u>210,524.93</u>
<b>Net Increase(Decrease) in Cash and Cash Equivalents/Investments</b>	<u>(12,662,506.30)</u>	<u>22,728,166.63</u>
Cash and Cash Equivalents/Investments at Beginning of Year	<u>50,007,297.02</u>	<u>27,279,130.39</u>
<b>Cash and Cash Equivalents/Investments at End of Year</b>	<u><u>\$37,344,790.72</u></u>	<u><u>\$50,007,297.02</u></u>

The notes to the financial statements are an integral part of these statements.