



Sickler, Torchia
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 Your Partner When It Counts

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INDEPENDENT AUDITOR'S REPORT ON
 COMPLIANCE WITH SECTION 2925(3)(f) OF THE
 NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
 Catskill Watershed Corporation
 Margaretville, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Catskill Watershed Corporation (a nonprofit organization), as of December 31, 2014, which collectively comprise the Corporation's financial statements listed in the table of contents, and we have issued our report thereon dated February 25, 2015.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with Section 2925(3)(f) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations regarding investment guidelines during the year ended December 31, 2014. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above rules and regulations.

This report is intended solely for the information and use of management, the Board of Directors, officials of New York City, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

Sickler, Torchia, Allen & Churchill, CPA's, P.C.
 Hudson, New York
 February 25, 2015

Catskill Watershed Corporation
Investment in Municipal/Agency Bonds and U.S. Treasuries
Short & Long Term Municipal Bonds/Market Adjustments
 As of December 31, 2014

Program / Pur. #	Name of Investment	Type of Investment	Date of Purchase	Maturity Date	CUSIP Number	Next Coupon/Final Payment	Effective Interest	Carrying Value	Total Program Value	Market Unrealized Gain/(Loss)	Net Short Term Municipal Bond Investments
Account # 1202#1208											
Short Term Investments - Municipal/Agency Bonds											
<i>Future Stormwater</i>											
38	NYS Housing	Municipal/Agency Bond	05/09/12	03/15/15	649870LU4	03/15/15	0.750%	50,322.66			
34	Lockport City	Municipal/Agency Bond	07/07/14	05/28/15	539889SW6	05/28/15	0.500%	50,102.12			
17	Suffolk	Municipal/Agency Bond	09/23/14	06/01/15	864809AR9	06/01/15	0.450%	292,969.95			
50	Afton NY School Dist	Municipal/Agency Bond	10/06/14	09/25/15	088350CF5	09/25/15	0.400%	180,791.36			
5	New Rochelle School Dist	Municipal/Agency Bond	09/25/14	09/25/15	648533DS3	09/25/15	0.450%	316,268.36			
41	NYS Dorm Authority	Municipal/Agency Bond	07/27/12	10/01/15	649906WR1	04/01/15	0.750%	10,315.53			
14	Buchanan GO	Municipal/Agency Bond	10/09/14	10/09/15	118007CE1	10/09/15	0.500%	552,647.01			
46	NYC Housing	Municipal/Agency Bond	11/16/12	11/01/15	64972BWF8	05/01/15	0.550%	100,292.24	1,553,709.23	(2,188.23)	1,551,521.00
Catskill Fund for the Future											
81	Haverstraw	Municipal/Agency Bond	11/18/14	02/24/15	419587BR0	02/24/15	0.500%	1,407,363.03			
76	NYS Housing Mug	Municipal/Agency Bond	06/20/14	04/01/15	649883T54	04/01/15	0.401%	100,155.77			
77	Hamilton	Municipal/Agency Bond	11/13/14	05/15/15	407741JTS	05/15/15	0.450%	1,147,352.60			
73	Lockport City	Municipal/Agency Bond	06/10/14	05/28/15	539889SW6	05/28/15	0.500%	501,020.69			
4	Lockport City	Municipal/Agency Bond	07/07/14	05/28/15	539889SW6	05/28/15	0.500%	115,234.89			
25	Rensselaer School Districts	Municipal/Agency Bond	11/06/14	06/25/15	759650AZ7	06/25/15	0.450%	1,003,270.74			
78	BOCES	Municipal/Agency Bond	06/26/14	06/26/15	096575HR7	06/26/15	0.400%	502,068.00			
6	Rensselaer	Municipal/Agency Bond	08/15/14	07/17/15	760087CX2	07/17/15	0.400%	1,279,168.60			
28	Saugerties	Municipal/Agency Bond	08/07/14	07/30/15	804158FT5	07/30/15	0.400%	612,122.90			
60	Saugerties	Municipal/Agency Bond	08/07/14	07/30/15	804158FT5	07/30/15	0.420%	536,801.42			
3	Scotsville	Municipal/Agency Bond	08/25/14	08/13/15	810589DW8	08/13/15	0.420%	15,010.84			
43	NYS Dorm Authority	Municipal/Agency Bond	07/27/12	10/01/15	649906WR1	04/01/15	0.750%	5,157.77			
47	NYC Housing	Municipal/Agency Bond	11/16/12	11/01/15	64972BWF8	05/01/15	0.550%	200,584.48			
30	NYC General Obligation	Municipal/Agency Bond	03/21/12	12/01/15	64966GXS6	06/01/15	1.200%	191,518.53			
56	Huntington NY	Municipal/Agency Bond	12/09/14	12/09/15	446457YX8	12/09/15	0.500%	1,059,937.49	8,676,767.75	(1,341.75)	8,675,426.00
Total Short Term Municipal/Agency Bonds:									10,230,476.98	(3,529.98)	10,226,947.00
Total Per Financial Statements:									10,230,476.98	(3,529.98)	10,226,947.00
Difference:									(0.00)	-	-
<i>Operating III Program</i>											
10	Suffolk TOB	Municipal/Agency Bond	11/20/14	06/01/15	864809AS7	06/01/15	1.050%	149,621.86			
36	Nassau County GO	Municipal/Agency Bond	10/25/13	10/01/15	63165TDC7	04/01/15	0.800%	32,178.20			
83	NYS Energy Research	Municipal/Agency Bond	12/26/14	07/01/17	64985LAD0	01/01/15	1.100%	5,064.12			
11	NYC Transitional Finance	Municipal/Agency Bond	05/28/14	08/01/17	64971QW59	02/01/15	1.000%	161,786.74			
20	NY Port Authority	Municipal/Agency Bond	04/07/14	09/15/17	73358TR94	03/15/15	1.220%	10,966.42	359,617.33	(7,082.33)	352,535.00
Tax Consulting											
48	NYS Thruway	Municipal/Agency Bond	04/05/13	04/01/15	650014NR0	04/01/15	0.550%	52,760.70			
44	NYS Housing Mortgage	Municipal/Agency Bond	10/15/13	04/01/15	649883SV8	04/01/15	1.250%	10,014.71			
52	NYS Dorm Authority	Municipal/Agency Bond	05/16/14	02/15/17	64990EUD7	02/15/15	0.837%	10,000.00			
32	NYS Energy Research	Municipal/Agency Bond	12/26/14	07/01/17	64985LAD0	01/01/15	1.100%	65,833.50			
63	NY Port Authority	Municipal/Agency Bond	04/07/14	09/15/17	73358TR94	03/15/15	1.220%	10,966.42			
15	New York City GO	Municipal/Agency Bond	11/13/13	10/01/17	64966GTX0	04/01/15	1.200%	33,290.08	182,865.40	(285.40)	182,580.00

Account # 1204#1209											
Long Term Investments - Municipal/Agency Bonds											
Total Short Term Municipal/Agency Bonds:									10,230,476.98	(3,529.98)	10,226,947.00
Total Per Financial Statements:									10,230,476.98	(3,529.98)	10,226,947.00
Difference:									(0.00)	-	-

Remainder

Catskill Watershed Corporation
Investment in Municipal/Agency Bonds and U.S. Treasuries
Short & Long Term Municipal Bonds/Market Adjustments
 As of December 31, 2014

Program / Pur. #	Name of Investment	Type of Investment	Date of Purchase	Maturity Date	CUSIP Number	Next Coupon/Final Payment	Effective Interest	Carrying Value	Total Program Value	Market Unrealized Gain/(Loss)	Net Short Term Municipal Bond Investments		
Future Stormwater													
55	NYC Housing	Municipal/Agency Bond	07/02/13	05/01/16	64972BZF5	05/15/15	1.200%	59,803.16					
18	NYS GO	Municipal/Agency Bond	11/07/13	09/01/16	649791EF3	03/01/15	0.700%	31,014.77					
16	NY Port Authority	Municipal/Agency Bond	10/28/14	12/01/16	73358WKH6	06/01/15	0.550%	45,256.85					
35	NY Port Authority	Municipal/Agency Bond	10/24/14	12/01/16	73358WKH6	06/01/15	0.550%	10,057.14					
53	NYS Dorm Authority	Municipal/Agency Bond	05/16/14	02/15/17	64990EUD7	02/15/15	0.837%	55,000.00					
31	NYS Dorm Authority	Municipal/Agency Bond	05/07/13	02/15/17	64983MLY2	02/15/15	0.800%	310,000.84					
29	NYS GO	Municipal/Agency Bond	03/19/13	03/01/17	649791JL5	03/01/15	0.750%	620,922.81					
27	NYS Urban Dev	Municipal/Agency Bond	04/18/13	03/15/17	650035YN2	03/15/15	0.730%	839,534.01					
79	NYS Housing	Municipal/Agency Bond	11/18/14	04/01/17	649883TW5	04/01/15	1.350%	503,874.36					
1	NYS Dorm Authority	Municipal/Agency Bond	04/18/13	06/15/17	649902YW7	06/15/15	0.730%	135,646.46					
84	NYS Energy Research	Municipal/Agency Bond	12/26/14	07/01/17	64985LADO	01/01/15	1.100%	5,064.12					
22	NY Port Authority	Municipal/Agency Bond	04/07/14	09/15/17	73358TR94	03/15/15	1.220%	614,119.27					
8	NY Port Authority	Municipal/Agency Bond	04/11/14	09/15/17	73358TR94	03/15/15	1.200%	844,855.98					
19	New York City GO	Municipal/Agency Bond	11/13/13	10/01/17	649666TX0	04/01/15	1.200%	299,610.70					
39	NY Port Authority	Municipal/Agency Bond	12/19/14	12/01/17	73358WKJ2	06/01/15	1.150%	279,196.41					
51	NYS Mortgage Agency	Municipal/Agency Bond	04/21/14	04/01/18	649883ZV8	04/01/15	1.300%	151,374.28					
33	NYS Mortgage Agency	Municipal/Agency Bond	04/14/14	04/01/18	649883ZV8	04/01/15	1.320%	292,472.56					
23	NYC Transitional Finance	Municipal/Agency Bond	06/05/14	11/01/18	64971QH55	05/01/15	1.400%	338,484.21					
67	NYC Transitional Finance	Municipal/Agency Bond	06/06/14	11/01/18	64971QH55	05/01/15	1.400%	19,910.95					
40	NYC GO	Municipal/Agency Bond	05/05/14	12/01/18	64966HTP5	06/01/15	1.650%	50,074.20					
13	NYC GO	Municipal/Agency Bond	05/07/14	12/01/18	64966HTP5	06/01/15	1.800%	542,295.83	6,048,571.90	(52,155.90)	5,996,416.00		
Catskill Fund for the Future													
45	NYS Housing Mortgage	Municipal/Agency Bond	10/15/13	04/01/16	649883SV8	04/01/15	1.250%	280,411.91					
26	Suffolk	Municipal/Agency Bond	11/03/14	06/01/16	864809AS7	06/01/15	0.700%	51,842.02					
37	NYC Trans. Fin	Municipal/Agency Bond	03/15/13	08/01/16	64971MDC3	02/01/15	0.650%	690,861.21					
62	NYS General Obligation	Municipal/Agency Bond	11/07/13	09/01/16	649791EF3	03/01/15	0.700%	72,367.79					
82	Ramapo GO	Municipal/Agency Bond	11/24/14	09/01/16	751396M82	03/01/15	0.770%	128,398.53					
49	NYC Trans. Fin.	Municipal/Agency Bond	04/16/13	11/01/16	64971QH30	05/01/15	0.550%	1,914,505.43					
58	NYC Housing	Municipal/Agency Bond	10/23/14	11/01/16	64972B4X0	05/01/15	0.753%	391,327.90					
80	NY Port Authority	Municipal/Agency Bond	11/17/14	12/01/16	73358WKH6	06/01/15	0.650%	195,741.65					
7	NY Port Authority	Municipal/Agency Bond	10/24/14	12/01/16	73358WKH6	06/01/15	0.550%	50,285.71					
54	NYS Dorm Authority	Municipal/Agency Bond	05/16/14	02/15/17	64990EUD7	02/15/15	0.837%	295,000.00					
66	NYS Dorm Authority	Municipal/Agency Bond	05/08/14	02/15/17	64990EUD7	02/15/15	0.837%	1,020,000.00					
24	NYS General Obligation	Municipal/Agency Bond	03/19/13	03/01/17	649791JL5	03/01/15	0.750%	525,781.41					
75	NYS Dorm Authority	Municipal/Agency Bond	11/28/14	03/15/17	64990BER4	03/15/15	0.750%	504,258.59					
12	NYS Urban Dev	Municipal/Agency Bond	04/16/13	03/15/17	650035YN2	03/15/15	0.730%	397,607.17					
2	NYS Housing Mortgage	Municipal/Agency Bond	07/05/13	04/01/17	649883TW5	04/01/15	1.500%	502,190.18					
57	NYSEFC	Municipal/Agency Bond	07/16/13	06/15/17	64986AL33	06/15/15	1.350%	292,423.16					
85	NYS Energy Research	Municipal/Agency Bond	12/26/14	07/01/17	64985LADO	01/01/15	1.100%	40,512.92					
61	NYS Dorm Authority	Municipal/Agency Bond	12/12/13	08/15/17	649902TK3	02/15/15	1.150%	2,115,268.00					
9	NY Port Authority	Municipal/Agency Bond	04/07/14	09/15/17	73358TR94	03/15/15	1.220%	389,307.75					
59	NYC General Obligation	Municipal/Agency Bond	07/18/14	10/01/17	64966H4E7	04/01/15	1.200%	499,805.94					
74	NYC General Obligation	Municipal/Agency Bond	06/10/14	10/01/17	64966HMS6	04/01/15	1.250%	252,703.95					
21	NYC Trans. Fin	Municipal/Agency Bond	05/06/14	11/01/17	64971M5R9	05/01/15	1.260%	263,415.37					
64	NYSEFC	Municipal/Agency Bond	05/13/14	06/15/18	64986AL41	06/15/15	1.500%	273,718.01					
71	NYC Trans. Fin.	Municipal/Agency Bond	06/05/14	11/01/18	64971QH55	05/01/15	1.400%	1,991,083.58					
72	NYC Trans. Fin.	Municipal/Agency Bond	06/06/14	11/01/18	64971QH55	05/01/15	1.400%	497,773.85					
65	NYSEFC	Municipal/Agency Bond	05/22/14	11/15/18	64985HJB4	06/15/15	1.405%	1,240,371.73					
68	NYC General Obligation	Municipal/Agency Bond	06/03/14	12/01/18	64966HTP5	06/01/15	1.550%	201,040.47					
69	NYC General Obligation	Municipal/Agency Bond	06/03/14	12/01/18	64966HTP5	06/01/15	1.550%	614,290.32					
42	NYC General Obligation	Municipal/Agency Bond	05/05/14	12/01/18	64966HTP5	06/01/15	1.650%	317,136.60					
70	NYS Dorm Authority	Municipal/Agency Bond	06/04/14	03/15/19	64990EEJ2	03/15/15	1.650%	1,322,649.36	17,332,080.50	(171,874.50)	17,160,206.00		
										Total Long Term Municipal/Agency Bonds:	23,923,135.14	(231,398.13)	23,691,737.01
Restricted Investments - Catskill Fund for the Future													
12	NYS Urban Dev	Municipal/Agency Bond	04/16/13	03/15/17	650035YN2	03/15/15	0.730%	3,790,000.00					
										Total:	23,923,135.14	(231,398.13)	23,691,737.01
										Total LT Per Financial Statements:	23,923,135.13	(231,398.13)	23,691,737.00
										Rounding	0.01	-	0.01

Catskill Watershed Corporation
Supplementary Schedules
Certificates of Deposit/Money Markets/Restricted Cash
As of December 31, 2014

Fund	Bank	Terms	Interest Rate	Amount
<i>Account # 1205</i>				
Restricted Cash				
Septic Program III				
Septic - Ckg [Prattsville-Washington Street]	NBT Bank, N.A.	Short-Term	0.02%	\$ 282,360.32
Septic Program IV				
Septic - Ckg [Hardship]	NBT Bank, N.A.	Short-Term	0.02%	\$ 424,339.81
Stream Corridor - Debris Removal Program				
Stream Cor. - Debris Removal - Ckg	NBT Bank, N.A.	Short-Term	0.02%	\$ 1,116,854.60
Community Wastewater				
CWMP - [Lateral Program] - MM	First Niagara	Short-Term	0.10%	1,119,825.40
CWMP - [Lateral Program] - Ckg	NBT Bank, N.A.	Short-Term	0.02%	1,017.56
Catskill Fund for the Future				
CFF - Ckg - [Healthcare Loans]	NBT Bank, N.A.	Short-Term	0.02%	994,357.00
Total Restricted Cash:				<u>3,938,754.69</u>
Total Per Financial Statements:				<u>3,938,754.69</u>
Difference:				<u>\$ -</u>
<i>Account # 1200</i>				
Money Market Accounts				
Operating Account				
Operating - Money Market #1	J.P. Morgan Clearing	Short-Term	0.00%	\$ 1,269.77
Alternate Design				
Alternate Design - Money Market	First Niagara	Short-Term	0.10%	1,219,636.07
Septic Maintenance				
Septic Maintenance - MM#1	NBT Bank, N.A.	Short-Term	0.03%	588,890.30
Septic Maintenance - MM#2	First Niagara	Short-Term	0.10%	640,423.93
Stormwater Retrofits				
Stormwater Retrofits - MM#1	First Niagara	Short-Term	0.10%	1,053,918.83
Tax Consulting				
Tax Consulting - Money Market	J.P. Morgan Clearing	Short-Term	0.00%	2,697.43
Tax Consulting - Money Market	NBT Bank, N.A.	Short-Term	0.02%	180,287.73
Future Stormwater				
Future Stormwater - MM #1	J.P. Morgan Clearing	Short-Term	0.00%	427.51
Future Stormwater - MM#2	First Niagara	Short-Term	0.10%	4,884,376.32
Catskill Fund for the Future				
CFF - Money Market	J.P. Morgan Clearing	Short-Term	0.00%	1,361.62
Total Money Markets:				<u>8,573,289.51</u>
Total Per Financial Statements:				<u>8,573,289.51</u>
Difference:				<u>\$ -</u>