

FINANCIAL REPORT  
Audited  
**CATSKILL WATERSHED CORPORATION**  
ARKVILLE, NEW YORK  
December 31, 2024

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*Audited for:*  
Board of Directors  
Catskill Watershed Corporation

*Audited By:*  
RBT CPAs, LLP  
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Hudson, NY 12534  
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# CATSKILL WATERSHED CORPORATION

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LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Catskill Watershed Corporation  
669 County Highway 38, Suite 1  
Arkville, New York 12406

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of Catskill Watershed Corporation (the "Corporation") as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business – type activities of the Corporation as of December 31, 2024 and 2023, and the related changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("*Government Auditing Standards*"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 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.

**Other Information**

Management is responsible for the other information included on pages 21-28. The other information is comprised of the Statements of Net Position by Program and Statements of Revenues, Expenses and Changes in Net Position by Program, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated February 21, 2025, on our consideration of the Corporation'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 solely 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* in considering the Corporation's internal control over financial reporting and compliance.

*RBT CPAs, LLP*

Hudson, NY  
February 21, 2025

**CATSKILL WATERSHED CORPORATION  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**

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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 Catskill Watershed Corporation (the “Corporation”) for the years ended December 31, 2024 and 2023, as mandated by GASB 34. This information should be reviewed in conjunction with the Corporation’s audited financial statements.

The Corporation was established in 1996 to administer Watershed Protection and Partnership Programs necessary to maintain and enhance the water quality in the West of Hudson Watershed and to make decisions on funding and implementation of such programs.

**FINANCIAL POSITION SUMMARY**

Net position may serve as an indicator of the Corporation’s financial position. The Corporation’s net position was \$14,287,701 and \$11,329,308 at December 31, 2024, and 2023, respectively.

For details of the Corporation’s finances, see the accompanying financial statements and notes thereof.

**SUMMARY OF NET POSITION**

	<u>2024</u>	2023	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current Assets	\$ 138,761,873	\$ 136,858,776	\$ 1,903,097	1.39%
Non-Current Assets	<u>45,228,430</u>	48,398,753	(3,170,323)	-6.55%
<b>Total Assets</b>	<u>183,990,303</u>	185,257,529	(1,267,226)	-0.68%
<b>Liabilities and Net Position</b>				
Current Liabilities	<u>1,227,772</u>	2,319,618	(1,091,846)	-47.07%
<b>Deferred Inflows of Resources</b>	<u>168,474,830</u>	171,608,603	(3,133,773)	-1.83%
<b>Net Position</b>				
Net Investment in Capital Assets	17,076,993	17,160,687	(83,694)	-0.49%
Unrestricted	<u>(2,789,292)</u>	(5,831,379)	3,042,087	-52.17%
<b>Total Net Position</b>	<u>\$ 14,287,701</u>	\$ 11,329,308	\$ 2,958,393	26.11%

**FINANCIAL OPERATIONS HIGHLIGHTS**

There was a decrease in assets of \$1,267,226 in 2024, due to a decrease in long-term investments. Deferred inflows decreased \$3,133,774 in 2024 due to a decrease in deferred grant revenue.

Grant revenue decreased by \$8,584,717 in 2024. This was primarily due to a decrease in grant contracts performed. Investment income increased \$1,444,596 in 2024. This was primarily the result of market fluctuations during the year.

Administrative expenses decreased by \$7,476,232 in 2024. This was primarily the result of a decrease in program expenses.

**CATSKILL WATERSHED CORPORATION  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**

**SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

	<b>2024</b>	2023	<b>\$ Change</b>	<b>% Change</b>
Operating Revenues:				
Grant Revenue	<b>\$ 18,586,462</b>	\$ 27,171,179	\$(8,584,717)	-31.59%
Operating Expenses:				
Administrative Expenses	<b>22,059,935</b>	29,536,167	(7,476,232)	-25.31%
Depreciation Expense	<b>575,968</b>	592,848	(16,880)	-2.85%
Total Operating Expenses	<b>22,635,903</b>	30,129,015	(7,493,112)	-24.87%
<b>Operating Income/(Loss)</b>	<b>(4,049,441)</b>	(2,957,836)	(1,091,605)	-36.91%
Non-Operating Revenues (Expenses):				
Investment Income	<b>7,007,834</b>	5,563,238	1,444,596	25.97%
Net Non-Operating Revenues	<b>7,007,834</b>	5,563,238	1,444,596	-25.97%
<b>Change in Net Position</b>	<b>\$ 2,958,393</b>	\$ 2,605,402	\$ 352,991	-13.55%

**FINANCIAL STATEMENTS**

The Corporation’s financial statements are prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (“GASB”). The Corporation is structured as a proprietary fund. The Corporation is considered a joint venture of towns located in the region known as the West of Hudson Watershed. Towns that lie wholly or have 100 or more acres within the boundaries of the Watershed of the City of New York located West of the Hudson River, and that sign and remain parties to the Memorandum of Agreement (as hereinafter defined), shall be eligible for membership in the Corporation. Members shall be represented by the Supervisors of the member towns. This level of control meets the criteria for financial accountability as defined by GASB. See the accompanying Notes to the Financial Statements.

**CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS**

CWC is a not-for-profit corporation as defined in sub-paragraph (a) (5) of Section 102 of the Not-for-Profit Law and is a local development corporation pursuant to Section 141 of the Not-for-Profit Corporation Law. The Corporation is exempt from income taxes under Section 501 (c)(3) of the United States Internal Revenue Code. CWC was organized as a non-profit corporation under the laws of the State of New York on November 5, 1996, and commenced operations on December 9, 1996. CWC was formed to relieve and reduce adult unemployment, promote and provide additional maximum adult employment, and attract new commerce and industry to the West of the Hudson (WOH) Watershed. CWC’s primary purpose is to administer Watershed Protection and Partnership Programs necessary to maintain and enhance the water quality in the West of Hudson Watershed and to make decisions on funding and implementation of such programs.

The 2024 accomplishments for the Corporation are as follows:

During the January – December 31, 2024 fiscal year, the Catskill Watershed Corporation conducted 14 public meetings. These meetings included 12 regular board meetings including multiple committee meetings, 1 annual meeting, 1 special meeting.

**CATSKILL WATERSHED CORPORATION  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

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**CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS – (CONTINUED)**

In addition, the Corporation also provided the following services:

- Enrolled 478 property owners into the Septic Program and repaired or replaced 281 septic systems through reimbursements to residential property owners.
- Thirty-seven schools and organizations were awarded a combined total of \$197,222 in educational grants.
- The CWC Board approved funding for three Stormwater Retrofit projects, including one grant for feasibility study, one grant for design and one grant for operation and maintenance at a completed project.
- Provided funding to commence construction on two community wastewater projects, a community septic system in New Kingston, and a collection system and wastewater treatment plant connection in Halcottsville.
- Design of the Shokan project in the Town of Olive is underway with 95% designs complete.
- Twelve low interest REDI loans were approved by the CWC Board, for a total principal of \$5,905,590 from the Catskill Fund for the Future to qualifying economic development projects.



**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF NET POSITION**

<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 125,982,315	\$ 119,606,162
Cash and Cash Equivalents - Restricted	2,517,698	2,487,698
Short-Term Investments (Note V)	7,550,214	11,184,395
Grants Receivable (Note III)	554,178	-
Accrued Interest Receivable (Note III)	123,864	175,577
Loan Receivable - Current Portion (Note III)	1,904,316	3,249,712
Prepaid Expenses	129,288	155,232
Total Current Assets	<u>138,761,873</u>	<u>136,858,776</u>
Non-Current Assets:		
Capital Assets, Net of Accumulated Depreciation (Note IV)	17,076,993	17,160,687
Loan Receivable - Net of Current Portion (Note III)	26,024,571	21,810,477
Long-Term Investments (Note V)	2,063,372	9,352,934
Lease Receivable (Note XIII)	63,494	74,655
Total Non-Current Assets	<u>45,228,430</u>	<u>48,398,753</u>
<b>TOTAL ASSETS</b>	<u><b>183,990,303</b></u>	<u><b>185,257,529</b></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	1,227,772	2,319,618
Total Current Liabilities	<u>1,227,772</u>	<u>2,319,618</u>
<b>TOTAL LIABILITIES</b>	<u><b>1,227,772</b></u>	<u><b>2,319,618</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Grant Revenue (Note VIII)	168,414,641	171,550,933
Other Deferrals	60,189	57,670
<b>TOTAL DEFERRED INFLOWS</b>	<u><b>168,474,830</b></u>	<u><b>171,608,603</b></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	17,076,993	17,160,687
Unrestricted	<u>(2,789,292)</u>	<u>(5,831,379)</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 14,287,701</b></u>	<u><b>\$ 11,329,308</b></u>

See Notes to the Financial Statements

**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

<b>For the Years Ended December 31</b>	<b>2024</b>	<b>2023</b>
Operating Revenues:		
Grants	\$ 18,586,462	\$ 27,171,179
Total Operating Revenues	<u>18,586,462</u>	<u>27,171,179</u>
Operating Expenses:		
Payroll	1,707,189	1,674,646
Meetings and Conferences	2,847	2,133
Professional Services	307,815	379,638
Advertising	15,250	13,431
Dues and Subscriptions	9,223	8,237
Travel	27,059	23,410
Insurance	109,885	104,345
Miscellaneous	618	3,158
Office Expense	17,502	13,647
Occupancy	536,202	540,187
Communications	28,344	21,122
Repairs and Maintenance	30,098	22,176
Licenses	854	2,193
Fringe Benefits	790,107	792,634
Program Expense	18,309,035	25,772,128
Grants	167,907	163,082
Depreciation Expense	575,968	592,848
Total Operating Expenses	<u>22,635,903</u>	<u>30,129,015</u>
<b>Operating (Loss)</b>	<u>(4,049,441)</u>	<u>(2,957,836)</u>
Non-Operating Revenues (Expenses):		
Investment Income	7,007,834	5,563,238
Net Non-Operating Revenue/(Expense)	<u>7,007,834</u>	<u>5,563,238</u>
<b>Change in Net Position</b>	<b>2,958,393</b>	<b>2,605,402</b>
<b>Net Position - Beginning</b>	<u>11,329,308</u>	<u>8,723,906</u>
<b>Net Position - Ending</b>	<u>\$ 14,287,701</u>	<u>\$ 11,329,308</u>

**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF CASH FLOWS**

<b>For the Years Ended December 31</b>	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Cash from Funding Agencies	\$ 15,450,169	\$ 16,798,469
Cash Paid for Operating Activities	<u>(23,448,669)</u>	<u>(30,191,520)</u>
Net Cash Provided by (used in) Operating Activities	<u>(7,998,500)</u>	<u>(13,393,051)</u>
<b>Cash Flows From Investing Activities</b>		
Investment Income and Other	7,007,834	5,563,238
Proceeds from Investment Maturities/Sales	11,415,000	3,915,000
Purchase of Investments	<u>(1,311,346)</u>	<u>(757,445)</u>
Loan Payments Received	5,415,028	1,328,293
Loans Issued	<u>(7,629,590)</u>	<u>(5,466,957)</u>
Net Cash Provided by (used in) Investing Activities	<u>14,896,926</u>	<u>4,582,129</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of Capital Assets	<u>(909,950)</u>	<u>(32,127)</u>
Proceeds from Sale of Capital Assets	417,677	26,869
Net Cash Provided by (used in) Capital and Related Financing Activities	<u>(492,273)</u>	<u>(5,258)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	6,406,153	(8,816,180)
Cash And Cash Equivalents, Beginning	<u>122,093,860</u>	<u>130,910,040</u>
Cash And Cash Equivalents, Ending	<u>\$ 128,500,013</u>	<u>\$ 122,093,860</u>
<b>Presented on Statement of Net Position as:</b>		
Cash and Cash Equivalents	\$ 125,982,315	\$ 119,606,162
Cash and Cash Equivalents - Restricted	2,517,698	2,487,698
Total	<u>\$ 128,500,013</u>	<u>\$ 122,093,860</u>
<b>Reconciliations of Changes in Net Assets to Net Cash Provided (Used)</b>		
<b>By Operating Activities for the Years Ended December 31, 2024 and 2023:</b>		
Operating Loss	\$ (4,049,441)	\$ (2,957,836)
Adjustments to Reconcile Operating Loss		
to Net Cash Provided by (used in) Operating Activities:		
Depreciation	575,968	592,848
Change in Investment Value	168,471	666,433
Working Capital Provided by Operating Activities	<u>(3,305,002)</u>	<u>(1,698,555)</u>
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Grants Receivable	(554,178)	-
Accrued Interest Receivable	51,713	(14,025)
Prepaid Expenses	25,944	21,077
Lease Receivable	11,161	10,042
(Decrease) Increase in:		
Accounts Payable and Accrued Liabilities	(1,091,846)	(1,338,881)
Deferred Revenue	<u>(3,136,292)</u>	<u>(10,372,709)</u>
Net Cash Provided by (used in) Operating Activities	<u>\$ (7,998,500)</u>	<u>\$ (13,393,051)</u>

See Notes to the Financial Statements

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Purpose**

CWC is a not-for-profit corporation as defined in sub-paragraph (a) (5) of Section 102 of the Not-for-Profit Law and is a local development corporation pursuant to Section 141 of the Not-for-Profit Corporation Law. The Corporation is exempt from income taxes under Section 501 (c)(3) of the United States Internal Revenue Code. CWC was organized as a non-profit corporation under the laws of the State of New York on November 5, 1996, and commenced operations on December 9, 1996. CWC was formed to relieve and reduce adult unemployment, promote and provide additional maximum adult employment, and attract new commerce and industry to the West of the Hudson (WOH) Watershed. CWC's primary purpose is to administer Watershed Protection and Partnership Programs necessary to maintain and enhance the water quality in the West of Hudson Watershed and to make decisions on funding and implementation of such programs.

The Corporation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Corporation is not liable for income taxes if it operates within the confines of its exempt status, though the Corporation may be responsible for taxes on unrelated business activities. In the event of an examination of the income tax returns, the tax liability of the Corporation could be changed if an adjustment in the tax-exempt purpose or income from unrelated business activities is ultimately determined by the taxing authorities. The Corporation's income tax filings are subject to audit by various taxing authorities. The Corporation's open audit periods are 2021–2024. Management continually evaluates expiring statutes of limitation, audits, proposed settlements, changes in tax law and new authoritative rulings. The Corporation believes their estimates are appropriate based on current facts and circumstances. Accordingly, there are no uncertain tax positions to disclose. As such, there are no correspondingly related interest and penalties to be accrued thereon. With few exceptions the Corporation is no longer subject to Federal and State income tax examinations by the tax authorities for the years before 2021.

**Fund Accounting**

In order to ensure observance of limitations placed on the use of resources available to CWC, the accounts are maintained in accordance with the principles of fund accounting grouped according to the restriction categories identified below. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into programs established according to their nature and purpose. Separate accounts are maintained for each major program. Accordingly, all financial transactions have been recorded and reported by program. CWC records all of its transactions in 19 self-balancing programs classified by the restriction categories identified above as follows:

**Operating I thru V**

The Operating Program includes resources that are expendable for support of CWC's operations. All inter-program activity has been eliminated through consolidation. *Operating II, III & IV contracts are closed.*

**Flood Hazard Mitigation Program I & II**

The Flood Hazard Mitigation Program funds the implementation of projects that reduce repetitive flood losses and water quality. All inter-program activity has been eliminated through consolidation.

**Alternate Design**

The Alternate Design Program includes resources and funds expended for design, construction, and installation of alternate designed septic systems, which would be required beyond the State, or Local regulations of enforceable standards. All inter-program activity has been eliminated through consolidation. *Alternate Design contract is closed.*

**Septic Program III, IV & V**

The Septic Program III, IV & V are a continuation of the Septic Program II and Septic Program III. It includes the creation and installation of new cluster septic systems for residences or small businesses where appropriate for water quality reasons. Septic V includes cluster O&M and an expanded septic program. All inter-program activity has been eliminated through consolidation. *The Septic Program IV contract is closed.*

**Septic System Maintenance I & II**

The Septic System Maintenance Program is a voluntary cost-sharing program intended to reduce the occurrence of system failures through regular pump-outs and maintenance. *The Septic Maintenance Program I contract is closed and all residual funds were transferred into Septic Maintenance II program.* All inter-program activity has been eliminated through consolidation.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Land Acquisition**

The Land Acquisition Program represents funds expendable for the reimbursement to towns and/or villages in the WOH Watershed for costs incurred to review, access, and comment on submissions to acquire lands and to delineate the boundaries of hamlets, commercial and industrial areas, and village extensions. All inter-program activity has been eliminated through consolidation.

**Stream Corridor Protection**

The Stream Corridor Protection Program's resources were made available for the costs of designing, constructing, and implementing stream corridor protection projects in West of Hudson. The Debris Removal Program is included in this fund. All inter-program activity has been eliminated through consolidation.

**Future Stormwater MOA145**

The Future Stormwater MOA145 funds were made available to pay for the costs of new Stormwater measures, or maintenance thereof, in the West of Hudson Watershed required by specific sections of the Watershed Regulations. All inter-program activity has been eliminated through consolidation.

**Community Wastewater Management**

The Community Wastewater Management Program resources are intended to provide assistance for Wastewater Management Projects in up to five identified Communities. All inter-program activity has been eliminated through consolidation. *Community Wastewater Management contract is closed.*

**Community Wastewater Management Phase II & III**

The Community Wastewater Management Program Phase II shall fund the design and construction of community septic systems and/or wastewater treatment plants in existing participating communities and in three additional participating communities. Phase III encompasses the last five Memorandum of Agreement communities. All inter-program activity has been eliminated through consolidation. *Community Wastewater Management Phase II is closed, and all remaining funds were returned to NYCDEP.*

**Public Education Program I, II & II Renewal**

The Public Education Program I, II & II Renewal provides funds to educate the public and increase awareness of the nature and importance of the New York City (City) water supply. All inter-program activity has been eliminated through consolidation. *Public Education Program I & II are closed.*

**Stormwater Retrofits I, II & III**

The Stormwater Retrofits Programs provide funds expendable for the design, construction, implementation, and maintenance of storm water best management policies to address existing storm water run-off in concentrated areas of impervious surfaces. *The Stormwater Retrofits Program I & II contracts are closed, and all residual funds were transferred into Stormwater Retrofits program III.* All inter-program activity has been eliminated through consolidation.

**Stormwater Technical Assistance Program**

The Stormwater Technical Assistance was established to retain a Stormwater Program Specialist to assist applicants undertaking regulated activities to comply with the storm water provisions of the Watershed Regulations. All inter-program activity has been eliminated through consolidation.

**Tax Consulting**

The Tax Consulting Program provides funds for payment of fees and expenses of attorneys and/or professional consultants retained by the CWC and/or the towns and/or villages in the WOH Watershed to analyze or assist in the administration of real property taxes paid by the City on City-owned land within the WOH Watershed. All inter-program activity has been eliminated through consolidation.

**WOH Future Stormwater Controls (I & II)**

The Future Stormwater Controls Program I & II represents funds expendable for the design, construction, implementation, and maintenance of storm water measures within the WOH Watershed required by the New York City Watershed Regulation not otherwise required by Federal and/or State law. All inter-program activity has been eliminated through consolidation.

**Local Technical Assistance Program**

The Local Technical Assistance Program was established to provide for the development and implementation of Community Planning Initiatives. Sustainable Community Program is included in this fund. All inter-program activity has been eliminated through consolidation. *LTAP Contract is closed, and all remaining funds were returned to NYCDEP.*

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Catskill Fund for the Future**

Funds allocated to the Catskill Fund for the Future are used for the support of responsible, environmentally sensitive economic development projects in the WOH Watershed. All inter-program activity has been eliminated through consolidation.

**Tax Litigation Avoidance Program**

The Tax Litigation Avoidance Program provides assistance to watershed assessing authorities (towns and villages) for the purpose of avoiding the costs and risks of litigation over taxes assessed on certain City owned real property in the West of Hudson Watershed. All inter-program activity has been eliminated through consolidation.

**CWMP Shokan**

The Shokan Program provides funding for engineering studies and construction for an appropriate community wastewater management system to serve the Shokan area in the Town of Olive. All inter-program activity has been eliminated through consolidation.

**B. The Reporting Entity**

The Corporation is considered a joint venture of towns located in the region known as the West of Hudson Watershed. Towns that lie wholly or have 100 or more acres within the boundaries of the Watershed of the City of New York located West of the Hudson River, and that sign and remain parties to the Memorandum of Agreement (as hereinafter defined), shall be eligible for membership in the Corporation. A member may resign from membership in the Corporation solely upon written notice to the Secretary of the Corporation following the adoption by such town's governing board of a resolution authorizing such resignation, effective upon a date set forth in such notice that shall be no earlier than the date of such resolution. Members shall be represented by the Supervisors of the member towns. This level of control meets the criteria for financial accountability as defined by GASB.

**C. Basis of Accounting**

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles ("GAAP"), as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under standards set by GASB, the Corporation is considered a proprietary fund. Proprietary fund financial statements are prepared on the accrual basis of accounting, which records the financial effects of transactions and other events when these transactions and events occur. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The measurement focus is the flow of economic resources.

**D. Cash and Cash Equivalents**

For the purpose of presenting the Statements of Cash Flows, the Corporation 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 equivalents.

The Corporation has adopted an investment policy in accordance with public authority law which is re-affirmed annually. Such policy defines the Corporation's investment objectives, authorization and collateralization procedures, and monitoring of compliance with stated policies. As described below, the Corporation is in compliance with such policies.

Corporation monies are deposited in FDIC insured commercial banks or trust companies located within the State. The Corporation is authorized to use demand deposit, time and money market savings accounts, and certificates of deposit. The Corporation's cash balances were fully collateralized with an irrevocable letter of credit and not subject to custodial credit risk.

**E. Accounts Receivable**

The Corporation's accounts receivable consists primarily of receivables for loan and interest receivables. The Corporation reviews individual accounts based on past history and communication with payors to determine collectability and has not identified any material uncollectible accounts. A general allowance has been recorded as of December 31, 2024 and 2023 for \$1,601,528 and \$1,389,799, respectively.

**CATSKILL WATERSHED CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**F. Use of Estimates**

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**G. Leases**

The Corporation is a lessor for office space and lessee for copiers and floor mats. The Corporation has implemented GASB 87, Leases, but has elected not to capitalize immaterial leases. All leases are considered not material.

**H. Subsequent Events**

The Corporation evaluated subsequent events for disclosure and/or recognition in the financial statements from December 31, 2024 through February 21, 2025, the date on which the financial statements were available for issuance.

**II. CASH AND CASH EQUIVALENTS**

At December 31, 2024 and 2023, the carrying amount of the Corporation's deposits (cash, certificates of deposit and interest-bearing savings accounts) were \$128,500,013 and \$122,093,860, respectively, and the bank balances were \$130,464,042 and \$124,246,318, respectively. The Corporation's deposits at December 31, 2024, and 2023, and during the years then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Corporation's agent bank in the Corporation's name. Petty cash is included in Cash and Cash Equivalents and totaled \$300 at year end.

**III. RECEIVABLES**

**Accrued Interest Receivable**

Accrued interest receivable consists of interest income that has not been received at year-end. Accrued interest receivable as of December 31, 2024 and 2023, amounted to \$123,864 and \$175,577, respectively.

**Loans Receivable**

Within the Catskill Fund for the Future Program, there are 80 loans receivable from a variety of entities totaling \$29,530,415. The years of maturity range from 2024 to 2044, and the interest rates range up to 5.25 percent. Collateral consists of a first or second position on real estate and/or entity assets. The loans are classified as current and long-term assets in the accompanying financial statements. CWC has established an allowance for doubtful accounts in the amount of \$1,601,528. Provisions for losses on loans receivable are determined based on loss experience, known and inherent risks in the loan portfolio, the estimated value of underlying collateral, and current economic conditions.

	<u>2024</u>	<u>2023</u>
Outstanding Loans	\$ 29,530,415	\$ 26,449,969
Allowance	<u>(1,601,528)</u>	<u>(1,389,779)</u>
Net Outstanding Loans	<u>27,928,887</u>	<u>25,060,190</u>
Current, Net	\$ 1,904,316	\$ 3,249,712
Long Term, Net	\$ 26,024,571	\$ 21,810,478

**Grants Receivable**

Grants receivable represent that portion of grant monies due to CWC from granting entities or NYCDEP for expenditures incurred by CWC. As of December 31, 2024, grants receivable consist of \$545,775 from NYSDEC Army Corp of Engineers and \$8,403 from NYCDEP (new contract development).

**CATSKILL WATERSHED CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**IV. CAPITAL ASSETS**

Capital assets are stated at cost, or the estimated fair market value if they are donated, and are depreciated using the straight-line method over the estimated useful lives of the assets. Capital assets consist of buildings, equipment, vehicles, furniture and fixtures, and software with estimated useful lives of 5-39.5 years.

Capital asset activity consisted of the following at December 31:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated or amortized:				
Land	\$ 480,002	\$ 675	\$ (417,677)	\$ 63,000
Total Capital Assets, not being depreciated	480,002	675	(417,677)	63,000
Capital Assets, being depreciated and amortized:				
Buildings	18,035,283	872,015	-	18,907,298
Furniture, Equipment & Machinery	1,010,369	4,797	-	1,015,166
Other	128,639	32,464	-	161,103
Total Capital Assets being depreciated	19,174,291	909,276	-	20,083,567
Accumulated Depreciation and Amortization for:				
Buildings	(1,714,162)	(455,709)	-	(2,169,871)
Furniture, Equipment & Machinery	(685,478)	(110,517)	-	(795,995)
Other	(93,966)	(9,742)	-	(103,708)
Total Accumulated Depreciation and Amortization	(2,493,606)	(575,968)	-	(3,069,574)
Total Capital Assets, being depreciated, net	16,680,685	333,308	-	17,013,993
Total Capital Assets, net	\$ 17,160,687	\$ 333,983	\$ (417,677)	\$ 17,076,993

For the years ended December 31, 2024 and 2023, depreciation expense amounted to \$575,968 and \$592,848 respectively.

**V. INVESTMENTS**

Under NYCDEP contractual obligations, net appreciations can be used as regular program expenditures, contract specific expenditures or a reduction of the NYCDEP financial/contractual obligation. The CWC utilizes all net appreciations for annual expenditures unless there are contractual, or Board of Director designated restrictions. The following schedule summarizes the bond investment return, which is included in investment income in the statement of activities:

	<u>2024</u>	<u>2023</u>
Interest on Investments	\$ 178,468	\$ 482,189
Net Realized Loss	-	(126,965)
Unrealized Loss	(196,097)	793,397
Return on Long-Term Investments	<u>\$ (17,629)</u>	<u>\$ 1,148,621</u>

In addition to investing in money markets and/or certificates of deposits, the CWC has purchased 'investment grade' municipal & agency bonds rated Baa to AAA or equivalent and with maturities ranging from a few months up to approximately four years. The bonds are classified as short or long-term investments on the Statement of Financial Position and are considered to be investments held to maturity. However, certain bonds were purchased and/or sold to reflect market conditions/opportunities. The investments are stated at market values and any bond premiums or discounts are amortized on a straight-line basis. Market value is determined using a fair value measurement hierarchy. CWC's investments are each valued using Level 1 inputs. Any unrealized gains or losses are reflected in the Statement of Activities. Below is summary of the investments:



**CATSKILL WATERSHED CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**V. INVESTMENTS (CONTINUED)**

		2024		
		Unrealized		
	Carry Value	Gain/(Loss)	Market Value	
Municipal and Agency Bonds	\$7,678,845	(\$128,631)	\$7,550,214	
Total Short-Term	<u>\$7,678,845</u>	<u>(\$128,631)</u>	<u>\$7,550,214</u>	
Municipal and Agency Bonds	\$2,130,838	(\$67,466)	\$2,063,372	
Total Long-Term	<u>\$2,130,838</u>	<u>(\$67,466)</u>	<u>\$2,063,372</u>	
		2023		
		Unrealized		
	Carry Value	Gain/(Loss)	Market Value	
Municipal and Agency Bonds	\$11,409,973	(\$225,578)	\$11,184,395	
Total Short-Term	<u>\$11,409,973</u>	<u>(\$225,578)</u>	<u>\$11,184,395</u>	
Municipal and Agency Bonds	\$9,878,082	(\$525,148)	\$9,352,934	
Total Long-Term	<u>\$9,878,082</u>	<u>(\$525,148)</u>	<u>\$9,352,934</u>	

**VI. FAIR VALUE MEASUREMENTS**

Major categories of assets and liabilities measured at fair value on a recurring basis comprise the following:

Description	Fair Value	(Level 1)	(Level 2)	(Level 3)
As of December 31, 2024				
Assets:				
Municipal and Agency Bonds	\$ 9,613,586	\$ 9,613,586	\$ -	\$ -
As of December 31, 2023				
Assets:				
Municipal and Agency Bonds	\$ 20,537,329	\$ 20,537,329	\$ -	\$ -
	<u>\$ 20,537,329</u>	<u>\$ 20,537,329</u>	<u>\$ -</u>	<u>\$ -</u>

**Level 1 Inputs**

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 Inputs**

Directly or indirectly observable (market based) information– This includes quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

**Level 3 Inputs**

Unobservable inputs for the asset or liability for which there is no market data or for which asset and liability values are not correlated with market value.

**Other Fair Value Disclosures**

Financial instruments are recorded at carrying value in the financial statements; however, the fair value of these instruments is disclosed below in accordance with current accounting guidance related to financial instruments.

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is practicable to estimate that value:

- I. Cash and Cash Equivalents: the carrying amount approximates fair value because of the short maturity of those instruments.
- II. Accrued Interest Receivable: the carrying amount approximates fair value because of the short term to the ultimate scheduled receipt date.

**CATSKILL WATERSHED CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

- III. Property, Plant and Equipment: the fair value of property, plant and equipment held and used is determined, whenever possible, by reference to quoted market prices and other market information for similar assets. This is then compared to depreciated historical cost values as a measure to determine potential impairment loss. No impairment losses have been recognized through the current year end.
- IV. Accounts Payable and Accrued Expenses: the carrying amounts approximate fair value because of the short term to liquidation of the instruments.

**VII. COMPENSATED ABSENCES**

Employees of CWC earn annual time at various amounts. In case of termination of employment or upon retirement, employees are entitled to payment for accumulated annual and sick time. The liability for compensated absences is calculated based on the employee’s current salary and accumulated leave balances. The annual and sick time liability at December 31, 2024 and 2023, of \$128,853 and \$118,526, respectively, has been included in accrued expenses in the accompanying financial statements.

**VIII. DEFERRED GRANT REVENUE**

Any payment(s) received in advance of expenditure are deferred and not recognized as income until such expenditures are incurred. A summary of deferred grant revenue as of December 31, 2024 and 2023 is as follows:

Program	2024	2023
Operating	<b>\$17,482,170</b>	\$17,334,717
Septic Program III	<b>2,000,000</b>	2,544,108
Septic Program V	<b>18,835,777</b>	23,049,466
Septic Maintenance	<b>490,375</b>	451,753
Stream Corridor Protection	<b>1,502,228</b>	1,502,227
Flood Hazard I	<b>3,831,650</b>	4,391,096
Flood Hazard II	<b>4,762,919</b>	2,931,808
Community Wastewater III	<b>4,365,615</b>	7,401,852
Community Wastewater - Shokan	<b>46,544,109</b>	46,544,109
Public Education II - Renewal	<b>13,562</b>	36,046
Stormwater Retrofits	-	489,454
Stormwater Retrofits II	-	867,974
Stormwater Retrofits III	<b>5,031,122</b>	-
Stormwater Technical Assistance	<b>27,084</b>	28,562
Tax Consulting	<b>554,338</b>	554,338
Tax Litigation Avoidance	<b>377,077</b>	377,077
WOH Future Stormwater	<b>6,298,840</b>	6,610,068
Future Stormwater - MOA145	<b>1,214,698</b>	990,447
Catskill Fund for the Future	<b>55,083,077</b>	55,445,831
	<b><u>\$168,414,641</u></b>	<b><u>\$ 171,550,933</u></b>

**IX. CONTRACT AND GRANT REVENUE**

Contract and Grant Revenue in the Statements of Activities is reported as follows:

	2024	2023
Grant Revenue:		
NYSDEC Army Corp of Engineers	<b>\$ 545,775</b>	\$ -
New York City Department of Environmental Protection	<b>18,040,687</b>	27,171,179
	<b><u>\$ 18,586,462</u></b>	<b><u>\$ 27,171,179</u></b>

**CATSKILL WATERSHED CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**X. Retirement Program (Defined Contribution):**

CWC participates in two defined contribution pension plans administered by Gemma Young. The plans are single-employer defined contribution plans established to provide retirement benefits to eligible employees of the employer. Contributions are made on behalf of the employees and are invested in individual accounts in the name of the employees, based on the employee's elections.

**Plan Description**

The Invesco 403(b) plan is a defined contribution plan under Internal Revenue Code Section 401(a) that provides retirement benefits to employees of CWC. The plan is administered by Gemma Young, and it covers substantially all full-time employees who are interested in participation. The Invesco plan is an optional plan and is available on hire date.

The Ascensus SEP-IRA plan is a defined contribution plan under Internal Revenue Code Section 401(a) that provides retirement benefits to employees of CWC. The plan is administered by Gemma Young, and it covers substantially all full-time employees who are 21 years or older and are mandated to participate.

Employees are eligible to participate in both plans upon employment or after meeting the specified eligibility criteria. Employees have the option to choose from various investment options, which are selected by the plan's governing body.

**Contributions**

If the optional Invesco plan is elected, contributions to the plan are made by both the employer and the employee, as follows:

Employer Contributions: The employer contributes up to a maximum of \$3,000 per year.

Employee Contributions: Employees are permitted to contribute an unspecified amount or percentage of their compensation on a pre/post-tax basis, subject to the limits established by the IRS.

Both employer and employee contributions are made on a bi-weekly basis and are immediately vested.

Ascensus SEP-IRA plan: CWC contributes 7.5% of the employee's salary. Employees are not permitted to participate, and contributions are made on a bi-weekly basis.

**Vesting**

Employee contributions are always 100% vested. Employer contributions become vested once employed.

**Pension Plan Investments**

Plan assets are invested in a variety of mutual funds, target-date funds, and other pooled investment vehicles. The choice of investments is made by the employee from the options available in the plan. The risk of investment loss is borne by the individual employee, and the employer does not guarantee any return on investment.

**Employer Contribution Activity**

Invesco 403(b) Plan: For the fiscal years ended December 31, 2024 and 2023, employer contributions to the plan were \$47,283 and \$46,381, respectively. The total 2024 remittance, including employee deferrals, was \$132,844.

Ascensus SEP-IRA Plan: For the years ended December 31, 2024 and 2023, CWC, the employer made contributions of \$124,029 and \$118,424 respectively.

**XI. Continued Existence:**

CWC's continued existence is dependent upon funds received from the City funding agencies to meet its normal operating expenditures.

**CATSKILL WATERSHED CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**XII. Commitments and Contingencies:**

CWC receives City funding for specific purposes that are subject to review and audit by City agencies. Such audits could result in a request for reimbursement by the City for expenditures disallowed under the terms and conditions of the appropriate agency. CWC believes that disallowed expenditures, if any, will not have a material effect on any of the individual CWC programs or the overall financial position of CWC.

The CWC entered into a 48-month operating lease totaling \$25,684 for two copy machines. CWC also entered into a 36-month operating lease totaling \$3,701 for mats. Total rental expenditures on the leases for the fiscal years ended December 31, 2024 and 2023 were \$7,621 and \$7,283, respectively. The minimum future operating lease payments are as follows:

<u>Year Ending December 31</u>	
2025	\$ 7,655
2026	7,655
2027	4,992
	<u>\$ 20,302</u>

**XIII. Lease Receivable:**

The CWC entered into a thirty-year lease with the Village of Fleischmanns with \$1,000 minimum annual rentals. CWC received \$21,877 as of December 31, 2024.

	<u>2024</u>	<u>2023</u>
Lease Receivable	\$ 135,260	\$ 138,923
Less: Present Value Adjustment	<u>(71,766)</u>	<u>(64,268)</u>
	<u>\$ 63,494</u>	<u>\$ 74,655</u>

**XVI. Grant Awards:**

CWC was awarded \$545,775 grant funding from the Department of Army through the State of New York Department of Environmental Conservation. The funds are to be used as a project share cost to design and construct the Railroad Avenue Embankment Stabilization Project. To date, no funding has been received.

CWC was awarded \$962,331 grant funding from the Department of Homeland Security Federal Emergency Management Agency. The funds are to be used as a project share cost to elevate eight (8) structures in the Catskill region, in Greene and Ulster counties, to above the Base Flood Elevation (BFE). To date, no funding has been received, or spent.

**XV. Inter-Program Fund Transfers:**

The Board of Directors has re-allocated certain program funds to develop new programs, continue existing programs and/or because of NYCDEP contractual requirements. A summary of the inter-program transfers is as follows:

<u>Program</u>	<u>Transfer-In</u>	<u>Transfer-Out</u>
Operating	\$ 362,754	\$ -
Catskill Fund for the Future	-	362,754
Septic Maintenance I	-	426,462
Septic Maintenance II	426,462	-
Stormwater Retrofits I	-	515,749
Stormwater Retrofits II	-	854,088
Stormwater Retrofits III	<u>1,369,837</u>	<u>-</u>
Total Inter-Program Transfers	<u>\$ 2,159,053</u>	<u>\$ 2,159,053</u>

**CATSKILL WATERSHED CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**XIV. CWC Holdings:**

CWC owns 100% of CWC Holdings II, LLC, which is included as an investment in the financial statements. CWC had purchased CWC Holdings II, LLC for renovation and resale. On December 21, 2022, the CWC Holdings II, LLC building was sold. All remaining assets were transferred back to the Catskill Fund for the Future in 2023.

<b>CWC Holdings II, LLC</b>			
Balance Sheets			
	<b>December 31, 2024</b>		December 31, 2023
<b>Assets</b>			
Checking	\$ -	\$ -	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Liabilities</b>			
Current Liabilities	\$ -	\$ -	-
Equity	-	-	-
<b>Total Liabilities &amp; Equity</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Income Statements</b>			
	<b>December 31, 2024</b>		December 31, 2023
<b>Income</b>			
Sale of Property (Loss)	\$ -	\$ -	-
Refund of Prior Year Expense	-	-	37
Transfer from Parent Company	-	-	-
<b>Total Income</b>	<b>-</b>	<b>-</b>	<b>37</b>
<b>Expenses</b>			
Advertising & Promotion	-	-	-
Depreciation Expense	-	-	-
Legal Services	-	-	-
Misc. Expenses	-	-	28
Repairs & Maintenance	-	-	-
Telephone	-	-	-
Utilities	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>28</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>9</b>

**XVII. Litigation:**

CWC was a party to certain pending litigation matters: (1) *Hickory Hill Const. v. CSS Real Holdings*, Index No. 119/2024 (the “Hickory Hill Litigation”); and (2) *Matter of Catskill Watershed Corporation v Town of Middletown*, Index Nos., EF2020-384, EF2021-609, EF2022-450 (the “Tax Exemption Litigation”). With respect to the Hickory Hill Litigation, the Corporation was named as a defendant in the action; specifically, as an alleged “stakeholder” of funds at issue in a contract dispute between the plaintiff and co-defendant related to a construction project. The complaint demands CWC hold back \$65,217.50 in reimbursable grant funds pending the outcome of the litigation. Plaintiff failed to properly serve the Corporation with the summons and complaint in the Hickory Hill Litigation, and the time to do so has since expired. The action remains pending subject to a motion for default judgment by defendant. In the event that Plaintiff’s lack of service was excused (which would require some form of motion), CWC would seek to dismiss the complaint based on lack of privity, and otherwise vigorously defend itself. With respect to the Tax Exemption Litigation, the Corporation was a Petitioner in several combined Real Property Tax Law (“RPTL”) Article 7 and Civil Practice Law and Rules (“CPLR”) Article 78 proceedings dealing with the tax status of its headquarters in Middletown. The parties settled the matter, and the litigation has been terminated.

**CATSKILL WATERSHED CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS**

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**XVIII. Related Party Transactions:**

The Corporation is a joint venture between the municipalities in West of Hudson Watershed. Town supervisors of the member municipalities make up the Board of the Catskill Watershed Corporation. CWC's continued existence is dependent upon funds received from New York City funding agencies to meet its normal operating expenditures.

**XIX. New Reporting Standards:**

The GASB has issued statements 102 through 104, with varying implementation dates, none of which are expected to have substantive effects on the Corporation's net position.

**OTHER  
INFORMATION**

**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF NET POSITION BY PROGRAM**

**As of December 31, 2024**

	Unrestricted Operating	Septic Program III	Septic Program V	Septic System Maintenance	Stream Corridor Protection	Subtotal Carried Forward
<b>ASSETS</b>						
Current Assets:						
Cash - Checking	\$ (152,669)	\$ 2,020,707	\$ 19,471,056	\$ 514,595	\$ 234,990	\$ 22,088,679
Cash - Money Market	-	-	-	-	-	-
Cash - Reserved	-	-	-	-	1,366,855	1,366,855
Short-Term Investments	47,580	-	-	-	-	47,580
Short-Term Investments-Reserved	-	-	-	-	-	-
Grants Receivable	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	-
Due from Other Funds	725,714	-	(352,903)	(14,468)	-	358,343
Prepaid Expenditures	124,476	-	-	-	-	124,476
<b>Total Current Assets</b>	<b>745,101</b>	<b>2,020,707</b>	<b>19,118,153</b>	<b>500,127</b>	<b>1,601,845</b>	<b>23,985,933</b>
Capital Assets, Net of						
Accumulated Depreciation	17,076,993	-	-	-	-	17,076,993
Long-Term Assets:						
Long-Term Investments	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	-
<b>Total Long-Term Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 17,822,094</b>	<b>\$ 2,020,707</b>	<b>\$ 19,118,153</b>	<b>\$ 500,127</b>	<b>\$ 1,601,845</b>	<b>\$ 41,062,926</b>
<b>LIABILITIES AND NET POSITION</b>						
Current Liabilities:						
Accounts Payable	\$ 92,609	\$ -	\$ 241,226	\$ 9,752	\$ -	\$ 343,587
Accrued Expenditures	247,315	-	41,150	-	-	288,465
Lease Liabilities	-	-	-	-	-	-
Deferred Grant Revenue	17,482,170	2,000,000	18,835,777	490,375	1,502,228	40,310,550
Deferred Interest Income	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>17,822,094</b>	<b>2,000,000</b>	<b>19,118,153</b>	<b>500,127</b>	<b>1,502,228</b>	<b>40,942,602</b>
Net Position	-	20,707	-	-	99,617	120,324
<b>Total Liabilities and Net Position</b>	<b>\$ 17,822,094</b>	<b>\$ 2,020,707</b>	<b>\$ 19,118,153</b>	<b>\$ 500,127</b>	<b>\$ 1,601,845</b>	<b>\$ 41,062,926</b>



**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF NET POSITION BY PROGRAM**

**As of December 31, 2024**

	Subtotal Brought Forward	Flood Hazard	Flood Hazard II	Community Wastewater Management III	CWMP Shokan	Subtotal Carried Forward
<b>ASSETS</b>						
Current Assets:						
Cash - Checking	\$ 22,088,679	\$ 3,469,427	\$ 4,948,727	\$ 3,379,058	\$ 48,191,844	\$ 82,077,735
Cash - Money Market	-	-	-	-	-	-
Cash - Reserved	1,366,855	-	-	1,120,843	-	2,487,698
Short-Term Investments	47,580	-	-	-	-	47,580
Short-Term Investments-Reserved	-	-	-	-	-	-
Grants Receivable	-	545,775	-	-	-	545,775
Accrued Interest Receivable	-	-	-	-	-	-
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	-
Due from Other Funds	358,343	(19,580)	(34,898)	(126,929)	(117,008)	59,928
Prepaid Expenditures	124,476	-	-	-	-	124,476
<b>Total Current Assets</b>	<b>23,985,933</b>	<b>3,995,622</b>	<b>4,913,829</b>	<b>4,372,972</b>	<b>48,074,836</b>	<b>85,343,192</b>
Capital Assets, Net of Accumulated Depreciation						
	17,076,993	-	-	-	-	17,076,993
Long-Term Assets:						
Long-Term Investments	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	-
<b>Total Long-Term Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 41,062,926</b>	<b>\$ 3,995,622</b>	<b>\$ 4,913,829</b>	<b>\$ 4,372,972</b>	<b>\$ 48,074,836</b>	<b>\$ 102,420,185</b>
<b>LIABILITIES AND NET POSITION</b>						
Current Liabilities:						
Accounts Payable	\$ 343,587	\$ 163,972	\$ 150,910	\$ 7,357	\$ 130,239	\$ 796,065
Accrued Expenditures	288,465	-	-	-	-	288,465
Deferred Grant Revenue	40,310,550	3,831,650	4,762,919	4,365,615	46,544,109	99,814,843
Deferred Interest Income	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>40,942,602</b>	<b>3,995,622</b>	<b>4,913,829</b>	<b>4,372,972</b>	<b>46,674,348</b>	<b>100,899,373</b>
<b>Net Position</b>	<b>120,324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,400,488</b>	<b>1,520,812</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 41,062,926</b>	<b>\$ 3,995,622</b>	<b>\$ 4,913,829</b>	<b>\$ 4,372,972</b>	<b>\$ 48,074,836</b>	<b>\$ 102,420,185</b>

**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF NET POSITION BY PROGRAM**  
**As of December 31, 2024**

	Subtotal Brought Forward	Public Education II Renewal	Stormwater Retrofits	Stormwater Retrofits III	Stormwater Technical Assistance	Tax Consulting	Subtotal Carried Forward
<b>ASSETS</b>							
Current Assets:							
Cash - Checking	\$ 82,077,735	\$ 35,697	\$ -	\$ 5,106,071	\$ 27,084	\$ 387,511	\$ 87,634,098
Cash - Money Market	-	-	-	-	-	-	-
Cash - Reserved	2,487,698	-	-	-	-	-	2,487,698
Short-Term Investments	47,580	-	-	-	-	227,565	275,145
Short Term Investments-Reserved	-	-	-	-	-	-	-
Grants Receivable	545,775	-	-	-	-	-	545,775
Accrued Interest Receivable	-	-	-	-	-	18	18
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	-	-
Due from Other Funds	59,928	(15,135)	-	(1,328)	-	-	43,465
Prepaid Expenditures	124,476	-	-	-	-	-	124,476
<b>Total Current Assets</b>	<b>85,343,192</b>	<b>20,562</b>	<b>-</b>	<b>5,104,743</b>	<b>27,084</b>	<b>615,094</b>	<b>91,110,675</b>
Capital Assets, Net of							
Accumulated Depreciation	17,076,993	-	-	-	-	-	17,076,993
Long-Term Assets:							
Long-Term Investments	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	-	-
<b>Total Long-Term Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 102,420,185</b>	<b>\$ 20,562</b>	<b>\$ -</b>	<b>\$ 5,104,743</b>	<b>\$ 27,084</b>	<b>\$ 615,094</b>	<b>\$ 108,187,668</b>
<b>LIABILITIES AND NET POSITION</b>							
Current Liabilities:							
Accounts Payable	\$ 796,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 796,065
Accrued Expenditures	288,465	7,000	-	-	-	-	295,465
Deferred Grant Revenue	99,814,843	13,562	-	5,031,122	27,084	554,338	105,440,949
Deferred Interest Income	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>100,899,373</b>	<b>20,562</b>	<b>-</b>	<b>5,031,122</b>	<b>27,084</b>	<b>554,338</b>	<b>106,532,479</b>
<b>Net Position</b>	<b>1,520,812</b>	<b>-</b>	<b>-</b>	<b>73,621</b>	<b>-</b>	<b>60,756</b>	<b>1,655,189</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 102,420,185</b>	<b>\$ 20,562</b>	<b>\$ -</b>	<b>\$ 5,104,743</b>	<b>\$ 27,084</b>	<b>\$ 615,094</b>	<b>\$ 108,187,668</b>

**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF NET POSITION BY PROGRAM**

**As of December 31, 2024**

	Subtotal Brought Forward	Tax Litigation Avoidance Program	WOH Future Stormwater Controls (I & II)	Future SW-MOA 145	Community Vitality	Catskill Fund for the Future	Totals
<b>ASSETS</b>							
Current Assets:							
Cash - Checking	\$ 87,634,098	\$ 395,261	\$ 3,241,867	\$ 1,265,120	\$ -	\$ 13,502,540	\$ 106,038,886
Cash - Money Market	-	-	5,407,586	-	-	14,265,658	19,673,244
Cash - Reserved	2,487,698	-	-	-	-	30,000	2,517,698
Short-Term Investments	275,145	-	2,495,753	-	-	5,049,501	7,820,399
Grant Receivable	545,775	-	-	-	8,403	-	554,178
Accrued Interest Receivable	18	-	12,566	-	-	111,280	123,864
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	1,904,316	1,904,316
Due from Other Funds	43,465	-	(7,717)	(4,801)	(8,403)	(22,544)	-
Prepaid Expenses	124,476	-	-	-	-	4,812	129,288
<b>Total Current Assets</b>	<b>91,110,675</b>	<b>395,261</b>	<b>11,150,055</b>	<b>1,260,319</b>	<b>-</b>	<b>34,845,563</b>	<b>138,761,873</b>
Capital Assets, Net of							
Accumulated Depreciation	17,076,993	-	-	-	-	-	17,076,993
Long-Term Assets:							
Long-Term Investments	-	-	774,077	-	-	1,289,295	2,063,372
Lease Receivable	-	-	-	-	-	63,494	63,494
Loans Receivable, Net of Allowance for Doubtful Accounts	-	-	-	-	-	26,024,571	26,024,571
<b>Total Long-Term Assets</b>	<b>-</b>	<b>-</b>	<b>774,077</b>	<b>-</b>	<b>-</b>	<b>27,377,360</b>	<b>28,151,437</b>
<b>Total Assets</b>	<b>\$ 108,187,668</b>	<b>\$ 395,261</b>	<b>\$ 11,924,132</b>	<b>\$ 1,260,319</b>	<b>\$ -</b>	<b>\$ 62,222,923</b>	<b>\$ 183,990,303</b>
<b>LIABILITIES AND NET POSITION</b>							
Current Liabilities:							
Accounts Payable	\$ 796,065	\$ -	\$ 45,621	\$ 45,621	\$ -	\$ -	\$ 887,307
Accrued Expenses	295,465	-	-	-	-	45,000	340,465
Deferred Income	105,440,949	377,077	6,298,841	1,214,698	-	55,083,076	168,414,641
Deferred Interest Income	-	-	-	-	-	60,189	60,189
<b>Total Current Liabilities</b>	<b>106,532,479</b>	<b>377,077</b>	<b>6,344,462</b>	<b>1,260,319</b>	<b>-</b>	<b>55,188,265</b>	<b>169,702,602</b>
<b>Net Position</b>	<b>1,655,189</b>	<b>18,184</b>	<b>5,579,670</b>	<b>-</b>	<b>-</b>	<b>7,034,658</b>	<b>14,287,701</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 108,187,668</b>	<b>\$ 395,261</b>	<b>\$ 11,924,132</b>	<b>\$ 1,260,319</b>	<b>\$ -</b>	<b>\$ 62,222,923</b>	<b>\$ 183,990,303</b>

**CATSKILL WATERSHED CORPORATION**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM**

**Year Ended December 31, 2024**

	Unrestricted Operating	Septic Program III	Septic Program V	Septic System Maintenance	Stream Corridor Protection	Subtotal Carried Forward
<b>Revenue:</b>						
Grant Revenue	\$ 1,897,881	\$ 544,108	\$ 11,045,979	\$ 25,292	\$ -	\$ 13,513,260
Interest and Other Income	17,915	71,327	818,033	2,824	49,904	960,003
<b>Total Revenue</b>	<b>1,915,796</b>	<b>615,435</b>	<b>11,864,012</b>	<b>28,116</b>	<b>49,904</b>	<b>14,473,263</b>
<b>Expenditures:</b>						
Salary	878,575	-	310,651	7,698	-	1,196,924
Fringe Benefits	420,962	-	140,757	2,119	-	563,838
Program	131	594,727	10,978,628	12,806	-	11,586,292
Occupancy Costs	535,212	-	-	-	-	535,212
Advertising & Promotion	7,194	-	776	-	-	7,970
Office Supplies	17,044	-	339	-	-	17,383
Communication	26,153	1	657	9	25	26,845
Grants	-	-	-	-	-	-
Travel	26,747	-	-	-	-	26,747
Conferences and Seminars	2,163	-	-	-	-	2,163
Insurance	109,885	-	-	-	-	109,885
Repairs & Maintenance	24,919	-	-	-	-	24,919
Subscriptions & Publications	8,617	-	-	-	-	8,617
Professional Fees	244,667	-	-	-	-	244,667
Administrative	(962,923)	-	432,204	5,484	-	(525,235)
Depreciation	575,205	-	-	-	-	575,205
Dues, Licenses, and Memberships	674	-	-	-	-	674
Miscellaneous	571	-	-	-	-	571
<b>Total Expenditures</b>	<b>1,915,796</b>	<b>594,728</b>	<b>11,864,012</b>	<b>28,116</b>	<b>25</b>	<b>14,402,677</b>
Change in Net Position	-	20,707	-	-	49,879	70,586
Net Position, Beginning	-	-	-	-	49,738	49,738
<b>Net Position, Ending</b>	<b>\$ -</b>	<b>\$ 20,707</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 99,617</b>	<b>\$ 120,324</b>

**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM**  
**Year Ended December 31, 2024**

	Subtotal Brought Forward	Land Acquisition	Septic Maintenance II	Flood Hazard	Flood Hazard II	Community Wastewater Management III	Subtotal Carried Forward
<b>Revenue:</b>							
Grant Revenue	\$ 13,513,260	\$ 862	\$ 346,087	\$ 559,446	\$ 318,890	\$ 3,036,237	\$ 17,774,782
Interest and Other Income	960,003	-	13,954	667,989	150,436	224,800	2,017,182
<b>Total Revenue</b>	<b>14,473,263</b>	<b>862</b>	<b>360,041</b>	<b>1,227,435</b>	<b>469,326</b>	<b>3,261,037</b>	<b>19,791,964</b>
<b>Expenditures:</b>							
Salary	1,196,924	-	52,846	-	91,126	50,719	1,391,615
Fringe Benefits	563,838	-	13,005	-	36,021	18,322	631,186
Program	11,586,292	862	217,629	1,227,375	259,400	3,151,573	16,443,131
Occupancy Costs	535,212	-	-	-	-	-	535,212
Advertising & Promotion	7,970	-	-	60	1,689	-	9,719
Office Supplies	17,383	-	-	-	119	-	17,502
Communication	26,845	-	310	-	112	13	27,280
Grants	-	-	-	-	-	-	-
Travel	26,747	-	-	-	312	-	27,059
Conferences and Seminars	2,163	-	-	-	310	-	2,473
Insurance	109,885	-	-	-	-	-	109,885
Repairs & Maintenance	24,919	-	-	-	-	-	24,919
Subscriptions & Publications	8,617	-	-	-	198	-	8,815
Professional Fees	244,667	-	-	-	-	-	244,667
Administrative	(525,235)	-	76,251	-	79,859	40,410	(328,715)
Depreciation	575,205	-	-	-	-	-	575,205
Dues, Licenses, and Memberships	674	-	-	-	180	-	854
Miscellaneous	571	-	-	-	-	-	571
<b>Total Expenditures</b>	<b>14,402,677</b>	<b>862</b>	<b>360,041</b>	<b>1,227,435</b>	<b>469,326</b>	<b>3,261,037</b>	<b>19,721,378</b>
Change in Net Position	70,586	-	-	-	-	-	70,586
Net Position, Beginning	49,738	-	-	-	-	-	49,738
<b>Net Position, Ending</b>	<b>\$ 120,324</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,324</b>

**CATSKILL WATERSHED CORPORATION**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM**

**Year Ended December 31, 2024**

	Subtotal Brought Forward	CWMP Shokan	Public Education II Renewal	Stormwater Retrofits	Stormwater Retrofits II	Stormwater Technical Assistance	Subtotal Carried Forward
<b>Revenue:</b>							
Grant Revenue	\$ 17,774,782	\$ -	\$ 218,129	\$ -	\$ 13,885	\$ 8,978	\$ 18,015,774
Interest and Other Income	2,017,182	1,744,009	2,318	3,190	5,400	753	3,772,852
<b>Total Revenue</b>	<b>19,791,964</b>	<b>1,744,009</b>	<b>220,447</b>	<b>3,190</b>	<b>19,285</b>	<b>9,731</b>	<b>21,788,626</b>
<b>Expenditures:</b>							
Salary	1,391,615	39,288	16,484	-	4,116	6,691	1,458,194
Fringe Benefits	631,186	12,013	16,999	-	1,777	3,040	665,015
Program	16,443,131	933,482	-	-	9,000	-	17,385,613
Occupancy Costs	535,212	-	-	-	-	-	535,212
Advertising & Promotion	9,719	-	-	-	-	-	9,719
Office Supplies	17,502	-	-	-	-	-	17,502
Communication	27,280	32	270	-	-	-	27,582
Grants	-	-	167,907	-	-	-	167,907
Travel	27,059	-	-	-	-	-	27,059
Conferences and Seminars	2,473	-	-	-	-	-	2,473
Insurance	109,885	-	-	-	-	-	109,885
Repairs & Maintenance	24,919	-	-	-	-	-	24,919
Subscriptions & Publications	8,815	-	-	-	-	-	8,815
Professional Fees	244,667	-	-	-	-	-	244,667
Administrative	(328,715)	24,553	18,787	-	4,392	-	(280,983)
Depreciation	575,205	-	-	-	-	-	575,205
Dues, Licenses, and Memberships	854	-	-	-	-	-	854
Miscellaneous	571	-	-	26,294	-	-	26,865
<b>Total Expenditures</b>	<b>19,721,378</b>	<b>1,009,368</b>	<b>220,447</b>	<b>26,294</b>	<b>19,285</b>	<b>9,731</b>	<b>21,006,503</b>
Change in Net Position	70,586	734,641	-	(23,104)	-	-	782,123
Net Position, Beginning	49,738	665,847	-	23,104	-	-	738,689
<b>Net Position, Ending</b>	<b>\$ 120,324</b>	<b>\$ 1,400,488</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,520,812</b>

**CATSKILL WATERSHED CORPORATION**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM**  
**Year Ended December 31, 2024**

	Subtotal Brought Forward	Stormwater Retrofit III	Tax Consulting	Tax Litigation Avoidance Program	WOH Future Stormwater Controls (I & II)	Future SW-MOA 145	Community Vitality	Catskill Fund for the Future	Totals
<b>Revenue:</b>									
Grant Revenue	\$ 18,015,774	\$ -	\$ -	\$ -	\$ 311,227	\$ 251,058	\$ 8,403	\$ -	\$ 18,586,462
Interest and Other Income	3,772,852	104,182	22,637	12,335	485,063	33,221	-	2,577,541	7,007,831
<b>Total Revenue</b>	<b>21,788,626</b>	<b>104,182</b>	<b>22,637</b>	<b>12,335</b>	<b>796,290</b>	<b>284,279</b>	<b>8,403</b>	<b>2,577,541</b>	<b>25,594,293</b>
<b>Expenditures:</b>									
Salary	1,458,194	9,489	-	1,147	32,215	24,342	2,637	179,161	1,707,185
Fringe Benefits	665,015	3,609	-	552	11,926	10,509	586	97,910	790,107
Program	17,385,613	24,800	-	-	397,107	217,618	-	283,897	18,309,035
Occupancy Costs	535,212	-	-	-	-	-	-	990	536,202
Advertising & Promotion	9,719	-	-	-	-	-	3,370	2,161	15,250
Office Supplies	17,502	-	-	-	-	-	-	-	17,502
Communication	27,582	7	7	-	62	44	-	642	28,344
Grants	167,907	-	-	-	-	-	-	-	167,907
Travel	27,059	-	-	-	-	-	-	-	27,059
Conferences and Seminars	2,473	-	-	-	-	-	-	375	2,848
Insurance	109,885	-	-	-	-	-	-	-	109,885
Repairs & Maintenance	24,919	-	-	-	-	-	-	5,179	30,098
Subscriptions & Publications	8,815	-	-	-	-	-	-	408	9,223
Professional Fees	244,667	-	-	-	1,476	-	-	61,672	307,815
Administrative	(280,983)	18,950	-	1,473	43,706	31,766	1,810	183,278	-
Depreciation	575,205	-	-	-	-	-	-	763	575,968
Dues, Licenses, and Memberships	854	-	-	-	-	-	-	-	854
Miscellaneous	26,865	(26,294)	-	-	15	-	-	32	618
<b>Total Expenditures</b>	<b>21,006,503</b>	<b>30,561</b>	<b>7</b>	<b>3,172</b>	<b>486,507</b>	<b>284,279</b>	<b>8,403</b>	<b>816,468</b>	<b>22,635,900</b>
Change in Net Position	782,123	73,621	22,630	9,163	309,783	-	-	1,761,073	2,958,393
Net Position, Beginning	738,689	-	38,126	9,021	5,269,887	-	-	5,273,585	11,329,308
<b>Net Position, Ending</b>	<b>\$ 1,520,812</b>	<b>\$ 73,621</b>	<b>\$ 60,756</b>	<b>\$ 18,184</b>	<b>\$ 5,579,670</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,034,658</b>	<b>\$ 14,287,701</b>





**OTHER REPORTING  
REQUIRED BY  
*GOVERNMENT AUDITING  
STANDARDS***



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR’S 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**

Board of Directors  
Catskill Watershed Corporation  
669 County Highway 38, Suite 1  
Arkville, New York 12406

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* (“*Government Auditing Standards*”) issued by the Comptroller General of the United States, the financial statements of the Catskill Watershed Corporation (the “Corporation”), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation’s basic financial statements, and have issued our report thereon dated February 21, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation’s internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RBT CPAs, LLP*

Hudson, NY  
February 21, 2025

**Other Reporting in Accordance with *New York State Public  
Authorities Law***



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
INVESTMENT POLICIES AND ON COMPLIANCE WITH INVESTMENT POLICIES  
AND OTHER MATTERS  
BASED ON AN AUDIT PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Catskill Watershed Corporation  
669 County Highway 38, Suite 1  
Arkville, New York 12406

We have audited, in accordance with the 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, the financial statements of the Catskill Watershed Corporation, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Catskill Watershed Corporation’s basic financial statements, and have issued our report thereon dated February 21, 2025. Further we conducted an audit of investment practices, as required by Section 2925 of the NYS Public Authorities Law and described in Authorities Budget Office Policy Guidance 18-02, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* described above.

**Report on Internal Control Over Investment Practices**

In planning and performing our audit of the Catskill Watershed Corporation’s investment practices, we considered the Catskill Watershed Corporation’s internal control over investment practices (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of reporting on the investment practices, but not for the purpose of expressing an opinion on the effectiveness of Catskill Watershed Corporation’s internal control over investment practices. Accordingly, we do not express an opinion on the effectiveness of Catskill Watershed Corporation’s internal control over investment practices.

*A deficiency in internal control over investment practices* 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, noncompliance over investment practices on a timely basis. *A material weakness in internal control over investment practices* is a deficiency, or a combination of deficiencies, in internal control over investment practices, such that there is a reasonable possibility that material noncompliance will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over investment practices* is a deficiency, or a combination of deficiencies, in internal control over investment practices that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over investment practices was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over investment practices that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

### **Report on Compliance with Investment Policies and Other Matters**

As part of obtaining reasonable assurance about whether the Catskill Watershed Corporation obtained and managed its investments in compliance with its own policies and relevant sections of law and regulations, including relevant investment guideline requirements, we performed tests of its compliance with its investment policies and related provisions of laws and regulations. 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 items tested were found to be in compliance with the criteria described above. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over investment policies and compliance with those policies and the results of that testing, and not to provide an opinion on the effectiveness of the Catskill Watershed Corporation's internal control over investment policies or on compliance with those policies. This report is an integral part of an audit of investment practices performed in accordance with *Government Auditing Standards*, as required by Section 2925 of the NYS Public Authorities Law, in considering the Catskill Watershed Corporation's internal control over investment policies and compliance with those policies. Accordingly, this communication is not suitable for any other purpose.

*RBT CPAs, LLP*

Hudson, New York  
February 21, 2025

**CATSKILL WATERSHED CORPORATION  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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A. Internal Control Findings

No internal control findings noted.

B. Compliance Findings

No compliance findings noted.

