



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, 2025, 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 March 3, 2026. 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
March 3, 2026

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

A. Internal Control Findings

No internal control findings noted.

B. Compliance Findings

No compliance findings noted.