CONSOLIDATED FINANCIAL REPORT
Audited

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

June 30, 2025

Audited for:
Council of Directors
Watershed Agricultural Council of the New York City Watersheds, Inc. and Affiliate

Audited by:
RBT CPAs, LLP
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RBT
LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Council of Directors
Watershed Agricultural Council of the New York City Watersheds, Inc. and Affiliate
33195 State Highway 10
Walton, NY 13586

Opinion

We have audited the consolidated financial statements of Watershed Agricultural Council of the New York City Watersheds, Inc. and Affiliate (the "Council"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as of June 30, 2025 and 2024 and the changes in its operations and its 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 of the financial statements 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").* 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 Council 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Council's ability to continue as a going concern for twelve months from the report date.

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 Council'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 Council'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 20 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 25, 2025, on our consideration of the Council's internal control over financial reporting and on our tests of 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 the effectiveness of the Council's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

RBT CPAs, LLP

Poughkeepsie, NY
November 25, 2025

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)	**$ 22,570,979**	$ 10,402,224
Investments - Other	**522,580**	494,850
Equity Investments (Notes 4 and 5)	**9,061,290**	7,639,171
Accounts Receivable (Note 6)	**43,137**	153,455
Deposits	**2,232**	2,478
Prepaid Expenses	**51,978**	37,756
Total Current Assets	**32,252,196**	18,729,934
Property, Plant and Equipment:		
Land	**404,534**	404,534
Buildings	**787,953**	781,703
Leasehold Improvements	**29,137**	29,137
Equipment	**691,586**	804,818
Furniture and Fixtures	**44,704**	41,455
Vehicles	**698,851**	645,420
	2,656,765	2,707,067
Accumulated Depreciation	**(1,411,912)**	(1,511,683)
Total Net Property, Plant and Equipment	**1,244,853**	1,195,384
Other Assets:		
Right of Use Asset, Operating Lease (Note 7)	**96,625**	184,261
Total Assets	**$ 33,593,674**	$ 20,109,579

See Notes to Consolidated Financial Statements.

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30	2025	2024
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	**$ 10,666,694**	$ 967,015
Accrued Expenses (Note 8)	**567,720**	549,197
Deferred Revenue	**10,577,385**	8,242,471
Operating Lease Liability - Current Portion (Note 7)	**26,813**	135,949
Paycheck Protection Program Loan - Current Portion (Note 9)	**1,876**	2,788
Total Current Liabilities	**21,840,488**	9,897,420
Long-Term Liabilities:		
Operating Lease Liability - Long Term Portion (Note 7)	**71,027**	53,341
Paycheck Protection Program Loan - Long Term Portion (Note 9)	**-**	1,875
Total Long-Term Liabilities	**71,027**	55,216
Net Assets:		
Without Donor Restrictions:		
Board Designated (Note 10)	**1,004,471**	969,030
Undesignated	**1,383,787**	1,342,059
With Donor Restrictions (Note 11)	**9,293,901**	7,845,854
Total Net Assets	**11,682,159**	10,156,943
Total Liabilities and Net Assets	**$ 33,593,674**	$ 20,109,579

See Notes to Consolidated Financial Statements.

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contract Revenue	$ 16,442,834	$ 607,897	$ 17,050,731
Grant Revenue	38,343	-	38,343
Contributions	4,453	4,369	8,822
Contributed Non-Financial Assets (Note 14)	283,416	-	283,416
Miscellaneous Revenue	57,338	-	57,338
Net Investment Results	10,493	838,269	848,762
Gain on Disposal of Assets	13,000	-	13,000
	16,849,877	1,450,535	18,300,412
Net Assets Released From Restrictions	2,488	(2,488)	-
Total Revenues, Gains and Other Support	16,852,365	1,448,047	18,300,412
Expenses:			
Program	14,256,713	-	14,256,713
Management and General	2,518,483	-	2,518,483
Total Expenses	16,775,196	-	16,775,196
Change in Net Assets	77,169	1,448,047	1,525,216
Net Assets - Beginning	2,311,089	7,845,854	10,156,943
Net Assets - Ending	$ 2,388,258	$ 9,293,901	$ 11,682,159

See Notes to Consolidated Financial Statements.

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contract Revenue	$ 16,552,402	$ 607,897	$ 17,160,299
Grant Revenue	25,683	-	25,683
Contributions	4,198	1,000	5,198
Contributed Non-Financial Assets (Note 14)	362,559	-	362,559
Miscellaneous Revenue	41,402	-	41,402
Net Investment Results	24,415	667,958	692,373
Gain on Disposal of Assets	42,500	-	42,500
	17,053,159	1,276,855	18,330,014
Net Assets Released From Restrictions	414	(414)	-
Total Revenues, Gains and Other Support	17,053,573	1,276,441	18,330,014
Expenses:			
Program	14,462,366	-	14,462,366
Management and General	2,130,512	-	2,130,512
Total Expenses	16,592,878	-	16,592,878
Change in Net Assets	460,695	1,276,441	1,737,136
Net Assets - Beginning	1,850,394	6,569,413	8,419,807
Net Assets - Ending	$ 2,311,089	$ 7,845,854	$ 10,156,943

See Notes to Consolidated Financial Statements.

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025		Program	Management and General	Total Expenses
Salaries and Wages	A	$ 3,709,001	$ 1,018,681	$ 4,727,682
Payroll Taxes and Employee Benefits	A	1,605,334	423,829	2,029,163
Compensation and Related Expenses		5,314,335	1,442,510	6,756,845
Director Expenses	A	33,919	46,889	80,808
BMP Implementation Costs	C	4,732,873	-	4,732,873
Subcontracts	C	1,621,712	-	1,621,712
Forestry Programs	C	552,947	-	552,947
Nutrient Management Credit Program	C	567,978	-	567,978
Outreach Programs	C	209,289	-	209,289
Easement Programs	C	228,983	-	228,983
Occupancy	A	16,740	192,613	209,353
Advertising	B	-	33,966	33,966
Transportation	A	32,485	39,514	71,999
Insurance	A	160	149,062	149,222
Web Services	C	40,284	-	40,284
IT Services and Maintenance	B	-	126,305	126,305
Education and Training	A	32,780	10,961	43,741
Professional Fees	A	17,848	154,142	171,990
In Kind Expenses	C	283,416	-	283,416
Contract Services	A	413,586	14,037	427,623
Tools and Equipment	A	19,101	11,620	30,721
Office Expense	A	75,270	170,778	246,048
Administrative Expenses	A	63,007	3,432	66,439
Meetings	B	-	5,641	5,641
Interest Expenses	B	-	34	34
Depreciation	B	-	142,265	142,265
		14,256,713	2,543,769	16,800,482
Unemployment Reserve Refunds (Note 16)	A	-	(25,286)	(25,286)
Total Expenses		$ 14,256,713	$ 2,518,483	$ 16,775,196

Method of Allocation:

- **A** Estimated Time and Effort
- **B** Direct Management Expense
- **C** Direct Program Expense

See Notes to Consolidated Financial Statements.

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024		Program	Management and General	Total Expenses
Salaries and Wages	A	$ 3,495,391	$ 923,395	$ 4,418,786
Payroll Taxes and Employee Benefits	A	1,535,663	333,477	1,869,140
Compensation and Related Expenses		5,031,054	1,256,872	6,287,926
Director Expenses	B	-	68,690	68,690
BMP Implementation Costs	C	5,064,805	-	5,064,805
Subcontracts	C	1,582,778	-	1,582,778
Forestry Programs	C	422,969	-	422,969
Nutrient Management Credit Program	C	642,178	-	642,178
Outreach Programs	C	195,345	-	195,345
Easement Programs	C	490,951	-	490,951
Occupancy	A	15,858	195,382	211,240
Advertising	B	-	11,358	11,358
Transportation	A	32,115	46,859	78,974
Insurance	A	14	98,627	98,641
Web Services	C	43,239	-	43,239
IT Services and Maintenance	B	-	120,081	120,081
Education and Training	A	30,292	8,725	39,017
Professional Fees	A	18,023	91,862	109,885
In Kind Expenses	C	362,559	-	362,559
Contract Services	A	417,584	-	417,584
Tools and Equipment	A	26,605	84	26,689
Office Expense	A	54,458	131,976	186,434
Administrative Expenses	A	72,809	5,014	77,823
Meetings	B	-	5,994	5,994
Interest Expenses	B	-	57	57
Depreciation	B	-	99,241	99,241
		14,503,636	2,140,822	16,644,458
Unemployment Reserve Refunds (Note 16)	A	(41,270)	(10,310)	(51,580)
Total Expenses		$ 14,462,366	$ 2,130,512	$ 16,592,878

Method of Allocation:

A Estimated Time and Effort
B Direct Management Expense
C Direct Program Expense

See Notes to Consolidated Financial Statements.

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	**$ 1,525,216**	$ 1,737,136
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by/(Used in) Operating Activities:		
Depreciation	**142,265**	99,241
Gain on Disposal of Assets	**(13,000)**	(42,500)
Realized Gains	**(1,192)**	(7,175)
Unrealized Gains	**(557,692)**	(445,940)
Reinvested Dividends	**(29,596)**	(149)
Change in Working Capital Components:		
(Increase)/Decrease in:		
Accounts Receivable	**110,318**	(322)
Prepaid Expenses	**(14,222)**	24,342
Deposits	**246**	(666)
Right of Use Asset, Operating Lease	**87,636**	164,629
Inventory	**-**	250
Increase/(Decrease) in:		
Accounts Payable	**9,699,679**	489,206
Accrued Expenses	**18,523**	70,165
Deferred Revenue	**2,334,914**	2,166,969
Operating Lease Payable	**(91,450)**	(163,582)
Total Adjustments	**11,686,429**	2,354,468
Net Cash Provided by Operating Activities	**13,211,645**	4,091,604
Cash Flows from Investing Activities:		
Purchase of Property, Plant and Equipment	**(178,734)**	(380,843)
Purchase of Investments	**(1,940,082)**	(1,670,280)
Proceeds from Sale of Investments	**1,078,713**	856,656
Proceeds from Sale of Investments - Other	**-**	1,051
Net Cash Used in Investing Activities	**(1,040,103)**	(1,193,416)
Cash Flows from Financing Activities:		
Repayment of Paycheck Protection Program Loan	**(2,787)**	(2,759)
Net Cash Used in Financing Activities	**(2,787)**	(2,759)
Net Increase in Cash and Cash Equivalents	**12,168,755**	2,895,429
Cash and Cash Equivalents - Beginning	**10,402,224**	7,506,795
Cash and Cash Equivalents - Ending	**$ 22,570,979**	$ 10,402,224
Supplemental Disclosures:		
Cash Paid for Interest	**$ 34**	$ 57
Contributed Non-Financial Assets	**$ 283,416**	$ 362,559

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business:

Watershed Agricultural Council of the New York City Watersheds, Inc. and Affiliate (the "Council") was organized as a nonprofit corporation under the laws of the State of New York on September 23, 1993 and commenced operations on October 1, 1994. The Council was formed to control and prevent contamination of New York City's drinking water supplies from non-point sources of agricultural pollution by promoting best management practices through whole farm planning while maintaining the economic vitality of agriculture within the watershed. Since its incorporation, the Council has developed into a full-service natural resource conservation consultancy, implementing water quality best management practices on farms and forestland, buying and stewarding farmland and forestland conservation easements, and working with landowners, producers, and consumers to improve the economic viability of the working landscape in the New York City water supply watershed.

Watershed Agricultural Council Conservation Easement Stewardship Endowment Fund (the "Affiliate") was formed on September 15, 2008, under the Not-for-Profit Laws of the State of New York. The Affiliate was organized solely and exclusively to provide financial resources to the Council, or any qualified successor of the agricultural conservation easements now held by the Council for stewardship.

2. Summary of Significant Accounting Policies:

Basis of Accounting

The Council uses the accrual method of accounting which recognizes income when it is earned and expenses as they are incurred.

Principles of Consolidation

The consolidated financial statements include all accounts of the Council and its Affiliate. Inter-entity transactions are eliminated in consolidation.

Pervasiveness of Estimates

The preparation of 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. Actual results may differ from those estimates.

Restricted Assets

The Council reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Council reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Cash and Cash Equivalents

The Council considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

The Council provides for credit losses using the reserve method. The allowance for credit losses is based on specifically identified amounts that the Council believes to be uncollectible. Management has determined that no allowance was necessary as of June 30, 2025 and 2024.

Property, Plant and Equipment

The Council's capitalization policy is to capitalize purchases of $1,000 or more for assets that have useful lives of more than one year. These assets are stated at cost. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets ranging from five to thirty-nine years. Improvements to leased property are depreciated over the lesser of the expected life of the lease or the life of the improvements.

2. Summary of Significant Accounting Policies (continued):

Compensated Absences
Employees of the Council are generally entitled to paid vacation and sick time depending on length of service and other factors. The Council also pays for compensated absences related to subcontracts. The Council accrues for unused sick and vacation days based upon actual days accrued and available as of year-end.

Investments
Marketable securities are stated at fair value and unrealized holding gains and losses are included in the change of net assets.

Investments - Other
Certificates of deposit held for investment that are not debt securities are included in "Investments - Other".

Paycheck Protection Program Loan
The Council accounts for its Paycheck Protection Program ("PPP") Loan as a financial liability in accordance with FASB ASC 470 Debt. See Note 9.

Revenue Recognition
The Council derives 100% of its revenues from non-exchange contracts and other revenues not subject to FASB ASC 606, Revenue from Contracts with Customers.

Contributions
The Council recognizes contributions when an unconditional promise is made or when cash or cash equivalents are received, if an unconditional promise does not exist. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as restricted support that increases net assets with donor restrictions. Conditional promises to give without a stipulated due date, and for which the Council has met all conditions precedent to receipt of the contribution prior to year-end, are classified as net assets without donor restrictions.

A donor restriction is satisfied when a stipulated time restriction expires or when a purpose restriction is accomplished. Upon satisfaction, net assets with donor restrictions are re-classified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

The principal and any donor restricted income from restricted gifts are classified as net assets with donor restrictions. Income on those assets, not restricted by the donor, is classified as net assets with donor restrictions (if restricted by relevant law) or revenue without donor restrictions.

Contributed supplies and other in-kind contributions are reflected as contributions at their estimated fair values when received or when an unconditional promise to give has been made. The Council does not imply time restrictions on contributions of long-lived assets (or assets restricted to the purchase of long-lived assets) received without donor stipulations about how long the contributed assets must be used. As a result, those restrictions expire when the long-lived assets are placed in service.

Functional Allocation of Expenses
The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of functional expenses. The methods of these allocations are disclosed on the Statement of Functional Expenses.

Advertising Expenses
Advertising expenses are charged against income as incurred and totaled $33,966 and $11,358 for the years ended June 30, 2025 and 2024, respectively.

Fair Value of Financial Instruments
The carrying amounts of financial instruments, including receivables, payables and short-term borrowings arising in the ordinary course of business, approximate fair value due to the short maturity of these instruments.

The carrying amount of long-term debt approximates fair value because the interest rates fluctuate with the market interest rates or the fixed rates are based on current rates offered to the Council for debt with similar terms and maturities. See Note 5 for additional disclosures on the fair value of the investments.

2. Summary of Significant Accounting Policies (continued):

Income Taxes
The Council files an annual Form 990 as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. As such, no federal or New York State taxes are paid by the Council. The Council has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

The Council adopted the provisions of accounting principles generally accepted in the United States of America regarding accounting for uncertain tax positions. Management evaluated the Council's tax positions and concluded that the Council had taken no uncertain tax positions that would require adjustment to the financial statements in order to comply with the provisions of this guidance. With few exceptions, the Council is not subject to income tax examinations by the U.S. federal, state or local tax authorities for fiscal years prior to 2022.

Subsequent Events
Management has evaluated subsequent events from June 30, 2025 through November 25, 2025, the date on which the financial statements were available to be issued.

Deferred Revenue
Deferred revenue represents payments received in advance of services being provided or obligations being met. All amounts received in advance are deferred until services are rendered. Deferred revenues consist of NYC DEP contract advances and encumbered amounts as of June 30, 2025 and 2024.

Leases
The Council determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Council also considers whether its service arrangements include the right to control the use of an asset.

The Council recognizes most leases on its balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

The Council made an accounting policy election not to recognize ROU assets and lease liabilities for immaterial leases or leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Council made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Council has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component. The non-lease components typically represent additional services transferred to the Council, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

3. Cash and Cash Equivalents:
Cash and cash equivalents consisted of the following:

As of June 30	**2025**	2024
Cash Held with Banks	**$ 22,342,942**	$ 10,197,746
Money Market	**227,637**	203,878
Petty Cash	**400**	600
	$ 22,570,979	$ 10,402,224

4. Investment in Debt and Marketable Equity Securities:

The following is a summary of the Council's investment in available-for-sale securities:

	Cost	**Gross Unrealized Gain**	**Gross Unrealized (Loss)**	**Fair Market Value**
As of June 30		**2025**		
Mutual Funds - Equity Funds	**$ 7,113,863**	**$ 1,210,132**	**$ -**	**$ 8,323,995**
Exchange Traded Funds	**402,723**	**96,120**	**(114,838)**	**384,005**
Real Asset Funds	**313,908**	**39,382**	**-**	**353,290**
	$ 7,830,494	**$ 1,345,634**	**$ (114,838)**	**$ 9,061,290**

As of June 30	2024			
Mutual Funds - Bond Funds	$ 3,816,692	$ 122	$ (238,537)	$ 3,578,277
Mutual Funds - Equity Funds	2,392,075	837,282	-	3,229,357
Exchange Traded Funds	472,553	73,351	-	545,904
Real Asset Funds	284,747	4,276	(3,390)	285,633
	$ 6,966,067	$ 915,031	$ (241,927)	$ 7,639,171

5. Fair Value Measurements:
The estimated carrying and fair values of the Council's financial instruments are as follows:

As of June 30	**2025**		2024	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Mutual Funds - Bond Funds	**$ -**	**$ -**	$ 3,816,692	$ 3,578,277
Mutual Funds - Equity Funds	**7,113,863**	**8,323,995**	2,392,075	3,229,357
Exchange Traded Funds	**402,723**	**384,005**	472,553	545,904
Real Asset Funds	**313,908**	**353,290**	284,747	285,633
	$ 7,830,494	**$ 9,061,290**	$ 6,966,067	$ 7,639,171

The fair value of the securities is based on quoted market rates.

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the hierarchy are described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

To determine the appropriate levels, the Council performed a detailed analysis of the assets and liabilities that are subject to fair value measurement in accordance with accounting principles generally accepted in the United States of America.

For the year ended June 30, 2025, the application of valuation techniques applied to similar assets and liabilities has been consistent.

5. Fair Value Measurements (continued):

	June 30, 2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Mutual Funds - Equity Funds	**$ 8,323,995**	**$ 8,323,995**	**-**	**-**
Exchange Traded Funds	**384,005**	**384,005**	**-**	**-**
Real Asset Funds	**353,290**	**353,290**	**-**	**-**
	$ 9,061,290	**$ 9,061,290**	**$ -**	**$ -**

	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Mutual Funds - Bond Funds	$ 3,578,277	$ 3,578,277	$ -	$ -
Mutual Funds - Equity Funds	3,229,357	3,229,357	-	-
Exchange Traded Funds	545,904	545,904	-	-
Real Asset Funds	285,633	285,633	-	-
	$ 7,639,171	$ 7,639,171	$ -	$ -

6. Accounts Receivable:

Accounts receivable consisted of the following:

As of June 30	**2025**	2024
Accounts Receivable - NYC Contracts	**$ -**	$ 97,350
Accounts Receivable - Subcontractors	**30,599**	19,249
Accounts Receivable - Grants	**8,376**	9,242
Accounts Receivable - Other	**4,162**	27,614
	$ 43,137	$ 153,455

7. Leases:

The Council leases office space and storage space in Walton, New York and Patterson, New York. The Council's lease of office space in Yorktown Heights, New York was terminated in August 2024 and the lease in Patterson, New York began in September 2024.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows:

For the Years Ended June 30	**2025**	2024
Lease Costs:		
Operating Lease Cost	**$ 133,011**	$ 174,651
Non-Capitalized Lease Costs	**43,302**	7,826
Total Lease Cost	**$ 176,313**	$ 182,477

Supplemental balance sheet information related to leases is as follows:

As of June 30	**2025**	2024
Operating Leases:		
Original Cost of ROU Assets	**$ 111,751**	$ 473,743
Accumulated Amortization	**(15,126)**	(289,482)
Operating Lease ROU Assets, Net	**$ 96,625**	$ 184,261
Weighted-Average Remaining Lease Term:		
Operating Leases	**3.96 Years**	1.67 Years
Weighted-Average Discount Rate:		
Operating Leases	**3.83 %**	3.68 %

7. Leases (continued):

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows:

During the Years Ended June 30	Operating Leases
2026	$ 30,000
2027	30,000
2028	18,000
2029	15,600
2030	11,700
Total Lease Payments	105,300
Imputed Interest	(7,460)
Total Present Value of Lease Liabilities	97,840
Less: Current Maturities	(26,813)
Long-Term Portion	$ 71,027

8. Accrued Expenses:
Accrued expenses consisted of the following:

As of June 30	**2025**	2024
Accrued Payroll	**$ 136,335**	$ 109,125
Compensated Absences	**428,752**	438,056
Accrued Expenses	**2,633**	2,016
	$ 567,720	$ 549,197

9. Paycheck Protection Program Loan:
In February 2021, the Council received a Paycheck Protection Program ("PPP") loan of $1,048,482 provided under the CARES Act in response to the economic impact of the COVID-19 global pandemic. The amount had been recorded as Paycheck Protection Loan and is due and payable in February 2026 along with 1% accrued interest. The balance of the loan was $1,876 and $4,663 as of June 30, 2025 and 2024, respectively. Interest expense related to the loan was $34 and $57 for the years ended June 30, 2025 and 2024, respectively.

Aggregate maturities required on long-term debt at June 30, 2025 are due in future years as follows:

2026	$ 1,876

10. Board Designated Net Assets:
Board Designated Net Assets consist of accumulated unemployment reserves from the Council's self-insured unemployment program. The reserve totaled $1,004,471 and $969,030 as of June 30, 2025 and 2024, respectively.

11. Net Assets with Donor Restrictions:
Net assets with donor restrictions consisted of the following:

As of June 30		**2025**		2024
Stewardship of Agricultural Conservation Easements				
Time or Purpose Restricted	**$**	**3,147,175**	$	2,313,321
Endowment		**6,109,967**		5,501,970
Total Stewardship of Agricultural Conservation Easements		**9,257,142**		7,815,291
Conservation Easement Fund		**31,785**		27,758
Agricultural Fairbairn		**-**		1,055
EV Livestock Foundation		**4,974**		1,750
	$	**9,293,901**	$	7,845,854

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors as follows:

For the Years Ended June 30		**2025**		2024
Operating Costs - Purpose Restrictions	**$**	**2,488**	$	414

12. Endowment Fund:
The Council's endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, the net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law:
The Council of Directors has interpreted New York's Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the original gift value as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with NYPMIFA, the Affiliate considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

1. The duration and preservation of the fund.
2. The purpose of the Council and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effects of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Council.
7. The investment policies of the Council.
8. Alternatives to expenditure of the endowment fund.

Return Objectives and Risk Parameters:

The Affiliate has adopted investment and spending policies, approved by the Endowment Committee of the Council of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

12. Endowment Fund (continued):
Endowment Net Asset Composition by Type of Fund:

As of June 30		**2025**		2024
Donor-Restricted Endowment Funds	**$**	**9,257,142**	$	7,815,291

Changes in Endowment Net Assets with Donor Restrictions:

For the Years Ended June 30		**2025**		2024
Endowment net assets, beginning of year	**$**	**7,815,291**	$	6,542,569
Contract and Contribution Revenue		**607,997**		607,897
Investment return:				
Unrealized Gain on Investments		**555,144**		443,671
Realized Gain on Investments		**66,812**		6,966
Dividend and Interest Income		**257,773**		253,422
Investment Fees		**(45,875)**		(39,234)
Change in net assets		**1,441,851**		1,272,722
Endowment net assets, end of year	**$**	**9,257,142**	$	7,815,291

Spending Policy
The Endowment Committee of the Affiliate will determine from time to time the amount available for expenditure from the donor-restricted endowment funds.

13. Liquidity and Availability of Financial Resources:

The following reflects the Council's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

As of June 30		**2025**		2024
Financial Assets at Year-End				
Cash and Cash Equivalents	**$**	**22,570,979**	$	10,402,224
Investments - Other		**522,580**		494,850
Equity Investments		**9,061,290**		7,639,171
Accounts Receivable		**43,137**		153,455
Total Financial Assets at Year-End		**32,197,986**		18,689,700
Less: Those unavailable for General Expenditures within one year, due to:				
Board Designated Net Assets		**1,004,471**		969,030
Donor-Restricted Purposes		**9,293,901**		7,845,854
Amount Due to DEP for Closed Contracts		**9,990,549**		-
Total Funds unavailable for General Expenditures within one year		**20,288,921**		8,814,884
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	**$**	**11,909,065**	$	9,874,816

As of June 30, 2025, the Council had enough liquid assets to cover expenses for approximately nine months. Management deems this level of liquidity sufficient as contracts are reimbursement based and advance payments are requested. The Council also maintains a $1,500,000 line of credit with Wayne Bank. See Note 17.

14. Contributed Non-Financial Assets:
Contributed nonfinancial assets, also known known as gifts in kind, are reported separate from contributions of cash and other financial assets on the Statement of Activities.

Contributed non-financial assets consisted of the following:

	Monetized/Utilized	Valuation Method	Amount
For the Year Ended June 30		**2025**	
Subcontractor	Utilized	Contract	**$ 214,837**
Educational Bus Tours	Utilized	Invoices	**68,579**
Total			**$ 283,416**
For the Year Ended June 30		2024	
Education Bus Tours	Utilized	Invoices	$ 83,209
Subcontractor	Utilized	Contract	279,350
Total			$ 362,559

15. Non-Capitalized Operating Leases:
The Council has entered into leases for office equipment with varying end dates through January 2030. The Council also entered into a month to month lease for office space beginning April 2025. Non-capitallized lease expense is included in the statement of activities and totaled $43,302 and $7,846 for the years ended June 30, 2025 and 2024, respectively.

The total minimum commitment at June 30, 2025, under the leases mentioned above, is due as follows:

2026	$ 5,763
2027	3,543
2028	3,543
2029	3,543
2030	2,067
	$ 18,459

16. Unemployment Reserve Refunds
The Council self-insures for Unemployment Insurance with a maximum of $850 per employee per year. These amounts are billed against New York City Department of Environmental Protection ("DEP") contracts in lieu of third-party insurance policy expenses. Unused amounts of the Unemployment Reserve are then recognized as a refund from the DEP quarterly. For the years ended June 30, 2025 and 2024, Unemployment Reserve expenses totaled $25,286 and $51,580, respectively, and Unemployment Reserve refunds were $25,286 and $51,580, respectively. The refund amounts are offset against expenses in the Statement of Functional Expenses.

17. Line of Credit:
The Council's line of credit consisted of the following:

As of June 30, 2025	**Authorized**	**Outstanding**
Line of Credit with Wayne Bank at a 7.0% interest rate collateralized by NYC DEP Receivables	**$ 1,500,000**	**$ -**
	$ 1,500,000	**$ -**

As of June 29, 2024	Authorized	Outstanding
Line of Credit with Wayne Bank at a 8.25% interest rate collateralized by NYC DEP Receivables	$ 1,500,000	$ -
	$ 1,500,000	$ -

18. Related Party Transactions:
The Council of Directors is made up of local farmers and landowners in order to better inform and serve the Council regarding program needs and services. Council members are reimbursed for time and travel related to Council meetings at approved fixed rates. During the years ended June 30, 2025 and 2024, $76,391 and $65,185, respectively, was paid to Council members related to meetings. From time to time, Council members also participate in programs. All Council members must follow the same application and approval process, as well as the same reimbursement procedures as non-Council members. During the years ended June 30, 2025 and 2024, Council members received $367,023 and $262,006 through the BMP Implementation Program and $83,087 and $43,835 through the Nutrient Management Credit Program, respectively. Committee members were paid $2,427 and $2,260 for Forestry Implementation for the years ended June 30, 2025 and 2024, respectively.

During the year ended June 30, 2025, non-Council Committee members were paid $336,754 for BMP Implementation and $26,789 for Forestry Implementation.

During the year ended June 30, 2024, non-Council Committee members were paid $89,511 for BMP Implementation, $49,186 for Nutrient Management Credits and $32,714 for Forestry Implementation and Management.

19. Concentration of Credit Risk:
The Council maintains its cash and cash equivalents in accounts whose balances may exceed federally insured limits. The Council has not experienced any losses to date resulting from this policy.

20. Commitments and Contingencies:
The Council's Nutrient Management Credit ("NMC") program approves farm credits annually based on records provided by farmers. NMC approved balances are used to reimburse farmers for Nutrient Management related expenses as they are incurred. Eligible expenses include items such as manure spreaders, barn cleaners, and custom services. The credit can be used over a 3 to 5 year period. As of June 30, 2025 and 2024, the Council had an estimated contingency of $1,001,774 and $879,716, respectively, relating to approved nutrient management awards not yet expended by farmers.

During the fiscal year ended June 30, 2023, the Council became aware that it had not filed IRS Form 5500 since 2019. Additionally, the Council determined that prior year filings of Form 5500 were incorrect. The Council filed under the Delinquent Filers Voluntary Compliance Program in November 2024 and paid a total of $1,500 in fees. As of June 30, 2025, the Council has not received notice of any additional penalties.

21. Economic Dependency:
For the years ended June 30, 2025 and 2024, the Council received approximately 95% of its revenues from the New York City Department of Environmental Protection. The Council is dependent on continued funding from these contracts.

Pursuant to the Council's relationship with governmental units, the governments have the right to examine the books and records of the Council involving transactions relating to their contracts. The accompanying financial statements do not include any provisions for possible disallowances for examinations in the future. In the opinion of management, any actual disallowances would be unlikely and immaterial.

22. Retirement Plans:
The Council participates in a retirement plan with the Teacher's Insurance and Annuity Association Institute (TIAA) for all regular full-time and part-time employees working over 20 hours per week. 8 % of the employee's gross salary is contributed monthly, with vesting occurring immediately. Beginning April 1, 2025, the Council's contribution was updated to 8% for employees with 0-5 years of service, up to 12% for employees with 5-10 years of service and up to 18% for employees with more than 10 years of service. In addition, eligible employees have the option to participate in a tax deferred annuity portion of the retirement plan, also with TIAA. Employees can select any amount of their gross salary, under IRS maximum limits, to be deferred pre-tax to their retirement account. The Council contributed $417,930 and $325,286 to the plans for the years ended June 30, 2025 and 2024, respectively.

SUPPLEMENTARY INFORMATION

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of June 30, 2025	Watershed Agricultural Council of the New York Watersheds, Inc.	Watershed Agricultural Council Conservation Easement Stewardship Endowment Fund	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 22,343,342	$ 227,637	$ -	$ 22,570,979
Investments - Other	522,580	-	-	522,580
Equity Investments	31,785	9,029,505	-	9,061,290
Accounts Receivable	43,137	-	-	43,137
Deposits	2,232	-	-	2,232
Prepaid Expenses	51,978	-	-	51,978
Total Current Assets	22,995,054	9,257,142	-	32,252,196
Property, Plant and Equipment:				
Land	404,534	-	-	404,534
Buildings	787,953	-	-	787,953
Leasehold Improvements	29,137	-	-	29,137
Equipment	691,586	-	-	691,586
Furniture and Fixtures	44,704	-	-	44,704
Vehicles	698,851	-	-	698,851
	2,656,765	-	-	2,656,765
Accumulated Depreciation	(1,411,912)	-	-	(1,411,912)
Total Net Property, Plant and Equipment	1,244,853	-	-	1,244,853
Other Assets:				
Right of Use Asset, Operating Lease	96,625	-	-	96,625
Total Assets	$ 24,336,532	$ 9,257,142	$ -	$ 33,593,674

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of June 30, 2025	Watershed Agricultural Council of the New York Watersheds, Inc.	Watershed Agricultural Council Conservation Easement Stewardship Endowment Fund	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	$ 10,666,694	$ -	$ -	$ 10,666,694
Accrued Expenses	567,720	-	-	567,720
Deferred Revenue	10,577,385	-	-	10,577,385
Operating Lease Liability - Current Portion	26,813	-	-	26,813
Paycheck Protection Program Loan - Current Portion	1,876	-	-	1,876
Total Current Liabilities	21,840,488	-	-	21,840,488
Long-Term Liabilities:				
Operating Lease Liability - Long Term Portion	71,027	-	-	71,027
Total Long-Term Liabilities	71,027	-	-	71,027
Net Assets:				
Without Donor Restrictions:				
Board Designated	1,004,471	-	-	1,004,471
Undesignated	1,383,787	-	-	1,383,787
With Donor Restrictions	36,759	9,257,142	-	9,293,901
Total Net Assets	2,425,017	9,257,142	-	11,682,159
Total Liabilities and Net Assets	$ 24,336,532	$ 9,257,142	$ -	$ 33,593,674

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of June 30, 2024	Watershed Agricultural Council of the New York Watersheds, Inc.	Watershed Agricultural Council Conservation Easement Stewardship Endowment Fund	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 10,198,346	$ 203,878	$ -	$ 10,402,224
Investments - Other	494,850	-	-	494,850
Equity Investments	27,758	7,611,413	-	7,639,171
Accounts Receivable	153,455	-	-	153,455
Deposits	2,478	-	-	2,478
Prepaid Expenses	37,756	-	-	37,756
Total Current Assets	10,914,643	7,815,291	-	18,729,934
Property, Plant and Equipment:				
Land	404,534	-	-	404,534
Buildings	781,703	-	-	781,703
Leasehold Improvements	29,137	-	-	29,137
Equipment	804,818	-	-	804,818
Furniture and Fixtures	41,455	-	-	41,455
Vehicles	645,420	-	-	645,420
	2,707,067	-	-	2,707,067
Accumulated Depreciation	(1,511,683)	-	-	(1,511,683)
Total Net Property, Plant and Equipment	1,195,384	-	-	1,195,384
Other Assets:				
Right of Use Asset, Operating Lease	184,261	-	-	184,261
Total Assets	$ 12,294,288	$ 7,815,291	$ -	$ 20,109,579

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of June 30, 2024	Watershed Agricultural Council of the New York Watersheds, Inc.	Watershed Agricultural Council Conservation Easement Stewardship Endowment Fund	Eliminations	Total
LIABILITIES AND EQUITY				
Current Liabilities:				
Accounts Payable	$ 967,015	$ -	$ -	$ 967,015
Accrued Expenses	549,197	-	-	549,197
Deferred Revenue	8,242,471	-	-	8,242,471
Operating Lease Liability - Current Portion	135,949	-	-	135,949
Paycheck Protection Program Loan - Current Portion	2,788	-	-	2,788
Total Current Liabilities	9,897,420	-	-	9,897,420
Long-Term Liabilities:				
Operating Lease Liability - Long Term Portion	53,341	-	-	53,341
Paycheck Protection Program Loan - Long Term Portion	1,875	-	-	1,875
Total Long-Term Liabilities	55,216	-	-	55,216
Net Assets:				
Without Donor Restrictions:				
Board Designated	969,030	-	-	969,030
Undesignated	1,342,059	-	-	1,342,059
With Donor Restrictions	30,563	7,815,291	-	7,845,854
Total Net Assets	2,341,652	7,815,291	-	10,156,943
Total Liabilities and Net Assets	$ 12,294,288	$ 7,815,291	$ -	$ 20,109,579

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025	Watershed Agricultural Council of the New York Watersheds, Inc.	Watershed Agricultural Council Conservation Easement Stewardship Endowment Fund	Eliminations	Total
Without Donor Restrictions:				
Revenues, Gains and Other Support:				
Contract Revenue	$ 16,442,834	$ -	$ -	$ 16,442,834
Grant Revenue	38,343	-	-	38,343
Contributions	4,453	-	-	4,453
Contributed Non-Financial Assets	283,416	-	-	283,416
Miscellaneous Revenue	57,338	-	-	57,338
Net Investment Results	10,493	-	-	10,493
Gain on Disposal of Assets	13,000	-	-	13,000
	16,849,877	-	-	16,849,877
Net Assets Released from Restrictions	2,488	-	-	2,488
Total Revenue, Grants and Other Support	16,852,365	-	-	16,852,365
Expenses and Losses:				
Program	14,864,610	-	(607,897)	14,256,713
Management and General	2,518,483	-	-	2,518,483
Total Expenses and Losses	17,383,093	-	(607,897)	16,775,196
Change in Net Assets without Donor Restrictions	(530,728)	-	607,897	77,169
Net Assets with Donor Restrictions:				
Revenues, Gains and Other Support:				
Contract Revenue	607,897	-	-	607,897
Contributions	4,269	607,997	(607,897)	4,369
Net Investment Results	4,415	833,854	-	838,269
	616,581	1,441,851	(607,897)	1,450,535
Net Assets Released from Restrictions	(2,488)	-	-	(2,488)
Change in Net Assets with Donor Restrictions	614,093	1,441,851	(607,897)	1,448,047
Change in Net Assets	83,365	1,441,851	-	1,525,216
Net Assets - Beginning	2,341,652	7,815,291	-	10,156,943
Net Assets - Ending	$ 2,425,017	$ 9,257,142	$ -	$ 11,682,159

WATERSHED AGRICULTURAL COUNCIL OF THE NEW YORK CITY WATERSHEDS, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024	Watershed Agricultural Council of the New York Watersheds, Inc.	Watershed Agricultural Council Conservation Easement Stewardship Endowment Fund	Eliminations	Total
Without Donor Restrictions:				
Revenues, Gains and Other Support:				
Contract Revenue	$ 16,552,402	$ -	$ -	$ 16,552,402
Grant Revenue	25,683	-	-	25,683
Contributions	4,198	-	-	4,198
Contributed Non-Financial Assets	362,559	-	-	362,559
Miscellaneous Revenue	41,402	-	-	41,402
Net Investment Results	24,415	-	-	24,415
Gain on Disposal of Assets	42,500	-	-	42,500
	17,053,159	-	-	17,053,159
Net Assets Released from Restrictions	414	-	-	414
Total Revenue, Grants and Other Support	17,053,573	-	-	17,053,573
Expenses and Losses:				
Program	15,070,263	-	(607,897)	14,462,366
Management and General	2,130,512	-	-	2,130,512
Total Expenses and Losses	17,200,775	-	(607,897)	16,592,878
Change in Net Assets with Donor Restrictions	(147,202)	-	607,897	460,695
Net Assets with Donor Restrictions				
Revenues, Gains and Other Support:				
Contract Revenue	607,897	-	-	607,897
Contributions	1,000	607,897	(607,897)	1,000
Net Investment Results	3,133	664,825	-	667,958
	612,030	1,272,722	(607,897)	1,276,855
Net Assets Released from Restrictions	(414)	-	-	(414)
Change in Net Assets with Donor Restrictions	611,616	1,272,722	(607,897)	1,276,441
Change in Net Assets	464,414	1,272,722	-	1,737,136
Net Assets - Beginning	1,877,238	6,542,569	-	8,419,807
Net Assets - Ending	$ 2,341,652	$ 7,815,291	$ -	$ 10,156,943

Other Reporting Required by *Government Auditing Standards*

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*

Council of Directors
Watershed Agricultural Council of the New York City Watersheds, Inc. and Affiliate
33195 State Highway 10
Walton, NY 13586

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 ("*Government Auditing Standards*"), the financial statements of Watershed Agricultural Council of the New York City Watersheds, Inc. and Affiliate (the "Council"), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing 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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council' 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 did not disclose any 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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RBT CPAs, LLP

Poughkeepsie, NY
November 25, 2025