

AUDITED FINANCIAL STATEMENTS

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Greenfield, Massachusetts

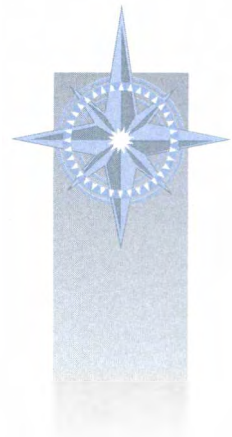
JUNE 30, 2022

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

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Independent Auditors' Report

To the Board of Directors
Connecticut River Watershed Council, Inc.
Greenfield, Massachusetts

Opinion

We have audited the accompanying financial statements of Connecticut River Watershed Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connecticut River Watershed Council, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Connecticut River Watershed Council, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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; 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 Connecticut River Watershed Council, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Connecticut River Watershed Council, Inc.'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 Connecticut River Watershed Council, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Connecticut River Watershed Council, Inc.'s June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
July 24, 2023

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Statement of Financial Position

June 30, 2022

(with comparative totals for June 30, 2021)

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 1,068,242	\$ 1,247,109
Contributions and grants receivable	513,688	632,544
Inventory	8,552	6,887
Prepaid expenses	9,855	26,524
Total current assets	<u>1,600,337</u>	<u>1,913,064</u>
Property and equipment, net	<u>684,465</u>	<u>709,156</u>
Other assets		
Assets held for sale	19,200	19,200
Investments	<u>2,368,484</u>	<u>2,654,427</u>
Total other assets	<u>2,387,684</u>	<u>2,673,627</u>
Total assets	<u>\$ 4,672,486</u>	<u>\$ 5,295,847</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 303,415	\$ 249,697
Security deposit payable	3,075	3,075
Current portion of long-term debt	15,345	15,023
Current portion of annuities payable	1,110	1,110
Total current liabilities	<u>322,945</u>	<u>268,905</u>
Long-term liabilities		
Long-term debt, less current portion	2,990	18,424
Annuities payable, less current portion	9,952	11,061
Total long-term liabilities	<u>12,942</u>	<u>29,485</u>
Net assets		
Without donor restrictions	2,122,683	2,122,615
With donor restrictions	<u>2,213,916</u>	<u>2,874,842</u>
Total net assets	<u>4,336,599</u>	<u>4,997,457</u>
Total liabilities and net assets	<u>\$ 4,672,486</u>	<u>\$ 5,295,847</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Statement of Activities

Year Ended June 30, 2022

(with comparative totals for the year ended June 30, 2021)

	2022			2021
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and other revenue				
Contributions and grants	\$ 1,295,357	\$ 864,600	\$ 2,159,957	\$ 2,358,013
Special projects and fees	627,133		627,133	984,886
In-kind contributions				52,000
Rental income	29,905		29,905	24,300
Management fee income				10,807
Other income	75		75	1,999
Net assets released from restrictions	<u>1,221,175</u>	<u>(1,221,175)</u>		
Total support and other revenue	<u>3,173,645</u>	<u>(356,575)</u>	<u>2,817,070</u>	<u>3,432,005</u>
Expenses				
Program	2,339,133		2,339,133	2,552,119
Administration	468,294		468,294	378,902
Fundraising	243,892		243,892	223,442
Total expenses	<u>3,051,319</u>		<u>3,051,319</u>	<u>3,154,463</u>
Change in net assets before investment activity	<u>122,326</u>	<u>(356,575)</u>	<u>(234,249)</u>	<u>277,542</u>
Investment activity				
Investment income, net	976	14,365	15,341	25,804
Net realized gains on sales of investments	63,373	446,024	509,397	82,444
Net unrealized (losses) gains in market value	<u>(186,607)</u>	<u>(764,740)</u>	<u>(951,347)</u>	<u>400,452</u>
Total investment activity	<u>(122,258)</u>	<u>(304,351)</u>	<u>(426,609)</u>	<u>508,700</u>
Change in net assets	68	(660,926)	(660,858)	786,242
Net assets, beginning of year	<u>2,122,615</u>	<u>2,874,842</u>	<u>4,997,457</u>	<u>4,211,215</u>
Net assets, end of year	<u>\$ 2,122,683</u>	<u>\$ 2,213,916</u>	<u>\$ 4,336,599</u>	<u>\$ 4,997,457</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Statement of Functional Expenses

Year Ended June 30, 2022

(with comparative totals for the year ended June 30, 2021)

	2022				2021
	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Employee-related costs	\$ 1,035,803	\$ 152,163	\$ 181,537	\$ 1,369,503	\$ 1,034,118
Professional fees	902,540	178,341	5,275	1,086,156	1,623,224
Office supplies and expense	213,180	102,106	19,176	334,462	319,652
Postage	24,759	3,942	17,810	46,511	20,742
Travel	31,560			31,560	15,644
Occupancy	21,079	3,039	3,625	27,743	18,387
Insurance	23,351			23,351	12,395
Printing, copying and media	13,493	764	8,272	22,529	17,377
Repairs and maintenance	16,631	2,443	2,915	21,989	20,847
Staff meetings and training	2,431	10,958	3,668	17,057	670
Publicity and outreach	14,151			14,151	12,460
Telephone	9,211	1,353	1,614	12,178	14,267
Taxes, license and fees		7,712		7,712	8,149
Dues and subscriptions	3,157	3,887		7,044	5,567
Interest		124		124	2,195
Total expenses before depreciation	<u>2,311,346</u>	<u>466,832</u>	<u>243,892</u>	<u>3,022,070</u>	<u>3,125,694</u>
Depreciation	<u>27,787</u>	<u>1,462</u>		<u>29,249</u>	<u>28,769</u>
Total expenses	<u>\$ 2,339,133</u>	<u>\$ 468,294</u>	<u>\$ 243,892</u>	<u>\$ 3,051,319</u>	<u>\$ 3,154,463</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Statement of Cash Flows

Year Ended June 30, 2022

(with comparative totals for the year ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (660,858)	\$ 786,242
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	29,249	28,769
PPP loan forgiveness		(170,000)
Net unrealized losses (gains) in market value of investments	951,347	(400,452)
Net realized gains on sales of investments	(509,397)	(82,444)
Other changes in assets and liabilities		
Contributions and grants receivable	118,856	391,391
Inventory	(1,665)	315
Prepaid expenses	16,669	(7,518)
Accounts payable and accrued liabilities	53,718	78,085
Annuities payable	<u>(1,109)</u>	<u>(1,110)</u>
Net cash (used) provided by operating activities	<u>(3,190)</u>	<u>623,278</u>
Cash flows from investing activities		
Proceeds from sale of investments	2,832,319	852,033
Purchases of investments	(2,988,326)	(1,193,910)
Purchases of property and equipment	<u>(4,558)</u>	<u>(103,216)</u>
Net cash used by investing activities	<u>(160,565)</u>	<u>(445,093)</u>
Cash flows from financing activities		
Payments on line of credit		(14,739)
Payments on note payable	<u>(15,112)</u>	<u>(47,759)</u>
Net cash (used) provided by financing activities	<u>(15,112)</u>	<u>(62,498)</u>
Net (decrease) increase in cash and cash equivalents	(178,867)	115,687
Cash and cash equivalents - beginning of year	<u>1,247,109</u>	<u>1,131,422</u>
Cash and cash equivalents - end of year	\$ <u><u>1,068,242</u></u>	\$ <u><u>1,247,109</u></u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ <u><u>1,400</u></u>	\$ <u><u>2,195</u></u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements

June 30, 2022

1. Summary of Significant Accounting Policies

- a. *Nature of Business:* Connecticut River Watershed Council, Inc., doing business as, Connecticut River Conservancy, herein as the "Council," is a membership supported, nonprofit, conservation organization dealing with land and water related environmental issues in the four state drainage area of the Connecticut River.
- b. *Tax Status:* The Council is exempt from federal and state corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. The Council qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).
- c. *Basis of Accounting:* The financial statements of the Council are prepared on the accrual basis.
- d. *Financial Statement Presentation:* The net assets of the Council are reported in two classes based upon the presence or absence of donor restrictions. Net assets restricted by donors can be temporary in nature by being subject to stipulations imposed by donors and grantors or by being restricted by time of receipt of promises to give. These net assets will be released into net assets without donor restrictions when the Council carries out the donor or grantor stipulations or by the passage of time. Net assets restricted by donors are also due to endowments created by donors that restrict the corpus in perpetuity and allow only the earnings to be used by Council. All other net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Council.
- e. *Use 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.
- f. *Cash and Cash Equivalents:* The Council considers money market accounts and short-term investments with a maturity of less than three months to be cash equivalents.
- g. *Contributions and Grants Receivable:* Contributions and grants receivable are stated at the amount management expects to collect from outstanding balances. Management believes all the contributions and grants receivable at June 30, 2022 and 2021, are collectible. Therefore, there was no allowance for doubtful contributions and grants receivable at June 30, 2022 and 2021.
- h. *Inventory:* Inventory consists of books, maps, posters, and other small merchandise related to the Council's exempt function, and is valued at cost on the statement of financial position.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

- i. *Property and Equipment:* The cost, if purchased, and fair value, if donated, of property and equipment is capitalized. The Council follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. Depreciation is computed by the straight-line method over the following useful lives:

Buildings and improvements	39 years
Boating equipment	10-15 years
Office equipment	3-5 years

- j. *Investments:* Investments are stated at market value. Money market accounts and other cash equivalents that are included in the Council's investment accounts are presented as investments in these financial Statements. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

- k. *Fair Value Measurements:* Accounting standards have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to 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 the lowest priority to unobservable inputs (Level 3 measurements). Inputs to the valuation methodology for the three levels of the fair value hierarchy are described below:

Level 1	Unadjusted quoted prices for identical assets or liabilities in active markets. Market price is generally obtained from exchange or dealer markets.
Level 2	Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Unobservable and significant to the fair value measurement.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

- l. Resource Recognition:* Contributions and grants are recognized when the donor makes an unconditional promise to give to the Council. Contributions and grants with a right of return and measurable performance or other barriers are not recognized until the conditions on which they depend have been met. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When the Council satisfies the donor restriction, or the time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Membership dues, which are presented as contributions, are recognized when received and not adjusted for deferred memberships. The effect of not adjusting this is not considered material by management as membership revenue from year to year is fairly consistent.

Special projects and fees are recognized when the Council does laboratory tests or other administrative services.

Rental income is from the renting of space in the building the Council owns and operates in Greenfield, Massachusetts.

In-kind contributions are recorded at estimated fair value when received.

Other income, consisting mostly of sales of publications and merchandise, is recognized when inventory is sold.

- m. Expense Allocation:* Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Administration and other supporting services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Council.
- n. Comparative Information:* The financial Statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial Statements for the year ended June 30, 2021, from which the summarized information was derived.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2022

1. Summary of Significant Accounting Policies (Continued)

- o. Recently Adopted Accounting Standard:* In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU amends certain aspects of presentation and disclosure for gifts-in-kind, including the requirement that gifts-in-kind be disaggregated by category and disclosure of the valuation techniques to arrive at the value of gifts-in-kind. The Council retroactively adopted this standard on July 1, 2021 and presents the required disclosures in Note 10.

2. Contributions and Grants Receivable

Contributions and Grants receivable consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
National Fish and Wildlife Foundation	\$ 148,313	\$ 110,885
U.S. Fish and Wildlife Service	222,399	202,399
Connecticut Council on Soil & Water Conservation		100,000
Other contributions and grants	<u>142,976</u>	<u>219,260</u>
Total contributions and grants receivable	<u>\$513,688</u>	<u>\$632,544</u>

3. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$1,098,315	\$1,098,315
Boating equipment	1,945	1,945
Office equipment	<u>15,699</u>	<u>11,707</u>
	1,115,959	1,111,967
Less accumulated depreciation	<u>431,494</u>	<u>402,811</u>
Total property and equipment	<u>\$ 684,465</u>	<u>\$ 709,156</u>

Depreciation expense was \$29,249 and \$28,769 for the years ended June 30, 2022 and 2021, respectively.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2022

4. Fee Interest and Conservation Easements

The Council holds fee interests or conservation easements on 3,523 acres of land in Connecticut, Massachusetts, Vermont, and New Hampshire as follows:

<u>Location</u>	<u>Acreage</u>
Fee interests – 1,178 acres	
Gill, MA	10.0
Norfolk, CT	990.0
Haddam, CT	50.0
Hebron, CT	128.0
Conservation easements – 2,345 acres	
East Hampton, CT	70.0
Hebron, CT	10.3
Marlborough & Hebron, CT	1,349.0
Gill, MA	29.0
Holyoke, MA	104.5
Plainfield, MA	42.0
Barre, MA	44.0
Dalton, NH	18.0
East Lempster, NH	36.0
Lyme, NH	553.3
North Charlestown, NH	40.4
Bondville, VT	18.5
Strafford, VT	30.0

These properties are held by the Council for either conservation purposes to protect habitat and open space or for future sale to realize revenue for the Council's operations. These properties were donated many years ago to the Council and are not recorded in these financial statements because the fair value is not readily determinable.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2022

5. Investments

Investments stated at Level 1 market value consisted of the following at June 30, 2022:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
Money market accounts	\$ 164,032	\$ 164,032	
Corporate bonds	148,351	142,526	\$ (5,825)
Municipal bonds	362,631	339,114	(23,517)
Stocks	1,184,437	1,097,417	(87,020)
Exchange-traded funds	87,602	79,571	(8,031)
Mutual funds	429,570	485,556	55,986
Government securities	<u>60,105</u>	<u>60,268</u>	<u>163</u>
Total	<u>\$2,436,728</u>	<u>\$2,368,484</u>	<u>\$(68,244)</u>

Investments stated at Level 1 market value consisted of the following at June 30, 2021:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
Money market accounts	\$ 272,243	\$ 272,243	
Corporate bonds	149,421	150,115	\$ 694
Stocks	962,492	1,716,349	753,857
Government securities	<u>521,660</u>	<u>515,720</u>	<u>(5,940)</u>
Total	<u>\$1,905,816</u>	<u>\$2,654,427</u>	<u>\$748,611</u>

Fair values for investments were determined by reference to quoted market prices and other relevant information generated by market transactions.

6. Charitable Gift Annuities

The Council administers gift annuities. A gift annuity provides for regular annuity payments to the grantor for a specific period of years. The portion of the annuity attributable to the present value of the future benefits to be received by the grantor is recorded as a liability by the Council. The amount of this liability was \$11,062 and \$12,171 at June 30, 2022 and 2021, respectively.

7. Line of Credit

The Council has a commercial line-of-credit arrangement with a bank which provides for borrowing up to \$250,000; interest rate is at the bank's Base or Prime lending rate (4.75% at June 30, 2022). There were no amounts outstanding on the line of credit at June 30, 2022 or 2021.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2022

8. Long-Term Debt

The Council had a note payable to a bank, due in monthly installments of \$1,376 including interest equal to the bank's prime rate (4.75% and 3.25% at June 30, 2022 and 2021, respectively), until August 2023. This note is secured by a first mortgage interest on the Council's building in Greenfield, Massachusetts. The amount due within one year was \$15,345 and \$15,023 at June 30, 2022 and 2021, respectively. The total amount outstanding was \$18,335 and \$33,447 at June 30, 2022 and 2021, respectively. Estimated future maturities are \$15,345 for the year ending June 30, 2023 and \$2,990 for the year ending June 30, 2024.

9. Restrictions on Net Assets

Net assets with donor restrictions consisted of \$289,619 and \$502,995 in the Spaulding Pond Trust fund and \$689,062 and \$851,620 in various contributions and grants that were restricted to a specific purpose by the donor or grantor and were not completed as of June 30, 2022 and 2021, respectively.

Net assets restricted by donors by creating an endowment, consisted of \$1,235,235 and \$1,520,227 at June 30, 2022 and 2021, respectively, in the Mary S. Shaub Fund investments to be held indefinitely, the income from which can be used by the Council.

10. Gifts-in-Kind

The Council's policy related to gifts-in-kind is to utilize the assets to carry out its mission. If an asset is provided that does not allow the Council to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

During the year ended June 30, 2022, the Council received no gifts-in-kind. During the year ended June 30, 2021, the Council was, at no charge, provided \$52,000 of material and labor in connection with installation of solar panels on the Council's building which were capitalized on the statement of financial position as of June 30, 2021.

All gifts-in-kind received by the Council for the year ended June 30, 2021 were considered without donor restrictions and able to be used by the Council as determined by management and the board of directors.

11. Contingencies

The Council receives support from government contracts. The contracts permit the contractor to audit both the financial operation of the contract and compliance with terms of the contract agreements. Such audits could result in the disallowance of some costs. Liabilities resulting from these audits, if any, will be recorded in the period in which the amount of the liability is ascertained.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2022

12. Available Resources and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$1,068,242	\$1,247,109
Contributions and grants receivable	513,688	632,544
Less donor restrictions	<u>(689,062)</u>	<u>(851,620)</u>
Total financials assets available for general expenditures within one year	<u>\$ 892,868</u>	<u>\$1,028,033</u>

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Council also has a \$250,000 line of credit from a bank that is available, if needed, to meet short-term liquidity needs.

13. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2022, through July 24, 2023, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.