

AUDITED FINANCIAL STATEMENTS

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Greenfield, Massachusetts

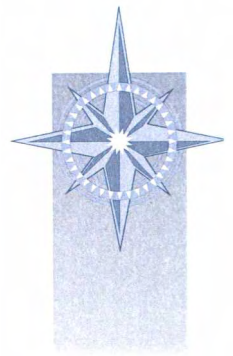
JUNE 30, 2020

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Table of Contents

	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16



Independent Auditors' Report

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

Report on the Financial Statements

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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020, 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.

Report on Summarized Comparative Information

We have previously audited Connecticut River Watershed Council, Inc.'s June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020, on our consideration of Connecticut River Watershed Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Connecticut River Watershed Council, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Connecticut River Watershed Council, Inc.'s internal control over financial reporting and compliance.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
November 9, 2020

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Statement of Financial Position

June 30, 2020

(with comparative totals for June 30, 2019)

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 1,131,422	\$ 566,269
Contributions and grants receivable	1,023,935	1,023,363
Inventory	7,202	6,332
Prepaid expenses	19,006	19,303
Total current assets	<u>2,181,565</u>	<u>1,615,267</u>
Property and equipment, net	<u>634,709</u>	<u>480,187</u>
Other assets		
Assets held for sale	19,200	19,200
Investments	1,829,654	1,804,754
Total other assets	<u>1,848,854</u>	<u>1,823,954</u>
Total assets	<u>\$ 4,665,128</u>	<u>\$ 3,919,408</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 171,612	\$ 157,902
Security deposit payable	3,075	3,075
Line of credit	14,739	
Current portion of long-term debt	217,569	30,216
Current portion of annuities payable	2,960	10,602
Total current liabilities	<u>409,955</u>	<u>201,795</u>
Long-term liabilities		
Long-term debt, less current portion	33,637	81,088
Annuities payable, less current portion	10,321	5,641
Total long-term liabilities	<u>43,958</u>	<u>86,729</u>
Net assets		
Without donor restrictions	1,297,735	555,145
With donor restrictions	2,913,480	3,075,739
Total net assets	<u>4,211,215</u>	<u>3,630,884</u>
Total liabilities and net assets	<u>\$ 4,665,128</u>	<u>\$ 3,919,408</u>

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

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Statement of Activities

Year Ended June 30, 2020

(with comparative totals for the year ended June 30, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and other revenue				
Contributions and grants	\$ 1,966,778	\$ 631,972	\$ 2,598,750	\$ 1,922,854
Special projects and fees	219,856		219,856	51,079
Rental income	26,100		26,100	26,043
Management fee income	10,682		10,682	10,682
Other income	4,124		4,124	4,469
Net assets released from restrictions	<u>883,389</u>	<u>(883,389)</u>		
Total support and other revenue	<u>3,110,929</u>	<u>(251,417)</u>	<u>2,859,512</u>	<u>2,015,127</u>
Expenses				
Program	1,845,456		1,845,456	1,802,463
Administration	261,072		261,072	225,983
Fundraising	<u>279,056</u>		<u>279,056</u>	<u>269,340</u>
Total expenses	<u>2,385,584</u>		<u>2,385,584</u>	<u>2,297,786</u>
Change in net assets before investment activity	<u>725,345</u>	<u>(251,417)</u>	<u>473,928</u>	<u>(282,659)</u>
Investment activity				
Investment income, net	3,774	8,706	12,480	10,539
Net realized gains on sales of investments	2,002	47,382	49,384	63,209
Net unrealized gains in market value	<u>11,469</u>	<u>33,070</u>	<u>44,539</u>	<u>73,567</u>
Total investment activity	<u>17,245</u>	<u>89,158</u>	<u>106,403</u>	<u>147,315</u>
Change in net assets	742,590	(162,259)	580,331	(135,344)
Net assets, beginning of year	<u>555,145</u>	<u>3,075,739</u>	<u>3,630,884</u>	<u>3,766,228</u>
Net assets, end of year	<u>\$ 1,297,735</u>	<u>\$ 2,913,480</u>	<u>\$ 4,211,215</u>	<u>\$ 3,630,884</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, 2020

(with comparative totals for the year ended June 30, 2019)

	2020				2019
	Program	Administration	Fundraising	Total	Total
Employee-related costs	\$ 584,453	\$ 150,333	\$ 244,154	\$ 978,940	\$ 849,222
Professional fees	555,227	15,699		570,926	485,700
Grant and contract expenses	509,181			509,181	696,614
Office supplies and expense	126,182	21,070	8,717	155,969	79,166
Travel	22,155		4,245	26,400	31,619
Printing, copying and media	11,583	4,477	9,579	25,639	27,250
Postage	5,914	2,597	10,159	18,670	31,395
Occupancy		16,701		16,701	19,482
Insurance	209	11,823		12,032	9,255
Repairs and maintenance	980	9,898	106	10,984	13,721
Telephone	17	10,788		10,805	10,555
Interest		10,147		10,147	7,237
Taxes, license and fees	2,610	4,588	1,027	8,225	8,412
Publicity and outreach	3,565		769	4,334	4,478
Staff meetings and training	111	1,216	300	1,627	978
Dues and subscriptions	746	550		1,296	2,190
Total expenses before depreciation	1,822,933	259,887	279,056	2,361,876	2,277,274
Depreciation	22,523	1,185		23,708	20,512
Total expenses	\$ 1,845,456	\$ 261,072	\$ 279,056	\$ 2,385,584	\$ 2,297,786

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

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Statement of Cash Flows

Year Ended June 30, 2020

(with comparative totals for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 580,331	\$ (135,344)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	23,708	20,512
Net unrealized gains in market value of investments	(44,539)	(73,567)
Net realized gains on sales of investments	(49,384)	(63,209)
Other changes in assets and liabilities		
Contributions and grants receivable	(572)	492,965
Inventory	(870)	2,181
Prepaid expenses	297	2,740
Accounts payable and accrued liabilities	13,710	28,752
Annuities payable	(2,962)	(10,602)
Net cash provided by operating activities	<u>519,719</u>	<u>264,428</u>
Cash flows from investing activities		
Proceeds from sale of investments	1,292,906	335,283
Purchases of investments	(1,223,883)	(310,080)
Purchases of property and equipment	(178,230)	(58,286)
Net cash used by investing activities	<u>(109,207)</u>	<u>(33,083)</u>
Cash flows from financing activities		
Proceeds from line of credit	195,339	
Proceeds from note payable	170,000	50,000
Payments on line of credit	(180,600)	
Payments on note payable	(30,098)	(12,940)
Net cash provided by financing activities	<u>154,641</u>	<u>37,060</u>
Net increase in cash and cash equivalents	565,153	268,405
Cash and cash equivalents - beginning of year	<u>566,269</u>	<u>297,864</u>
Cash and cash equivalents - end of year	\$ <u><u>1,131,422</u></u>	\$ <u><u>566,269</u></u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ <u><u>10,147</u></u>	\$ <u><u>7,237</u></u>

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

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements

June 30, 2020

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, 2020 and 2019, are collectible. Therefore, there was no allowance for doubtful contributions and grants receivable at June 30, 2020 and 2019.
- 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, 2020

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, 2020

1. Summary of Significant Accounting Policies (Continued)

m. Resource Recognition: Contributions and grants are recognized when the donor makes an unconditional promise to give to the Council. 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 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.

n. 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.

o. 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, 2019, from which the summarized information was derived.

p. Reclassifications: Certain reclassifications have been made to the June 30, 2019, summarized comparative information to be in conformity with the current year presentation. These reclassifications had no effect on the previously reported change in net assets or ending net assets.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2020

2. Contributions and Grants Receivable

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

	<u>2020</u>	<u>2019</u>
National Fish and Wildlife Foundation	\$ 341,021	\$ 411,698
U.S. Fish and Wildlife Service	244,903	194,717
Vermont Agency of Natural Resources	43,844	92,231
Connecticut Council on Soil & Water Conservation		105,880
Massachusetts Department of Environmental Protection	12,282	14,865
John T. and Jane A. Wiederhold Foundation	150,000	
Other contributions and grants	<u>231,885</u>	<u>203,972</u>
Total contributions and grants receivable	<u>\$1,023,935</u>	<u>\$1,023,363</u>

3. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Building and improvements	\$ 995,099	\$817,930
Boating equipment	1,945	1,945
Office equipment	<u>11,707</u>	<u>10,646</u>
	1,008,751	830,521
Less accumulated depreciation	<u>374,042</u>	<u>350,334</u>
Total property and equipment	<u>\$ 634,709</u>	<u>\$480,187</u>

Depreciation expense was \$23,708 and \$20,512 for the years ended June 30, 2020 and 2019, respectively.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2020

4. Fee Interest and Conservation Easements

The Council holds fee interests or conservation easements on 3,336 acres of land in Connecticut, Massachusetts, Vermont, and New Hampshire as follows:

<u>Location</u>	<u>Acreage</u>
Fee interests – 991 acres	
Gill, MA	10.0
Norfolk, CT	803.0
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.

5. Investments

Investments stated at Level 1 market value consisted of the following at June 30, 2020:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
Money market accounts	\$ 394,848	\$ 394,848	
Corporate bonds	44,696	43,228	\$ (1,468)
Stocks	785,370	1,126,161	340,791
Government securities	<u>264,494</u>	<u>265,417</u>	<u>923</u>
Total	<u>\$1,489,408</u>	<u>\$1,829,654</u>	<u>\$340,246</u>

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2020

5. Investments (Continued)

Investments stated at Level 1 market value consisted of the following at June 30, 2019:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain</u>
Money market accounts	\$ 264,939	\$ 264,939	
Corporate bonds	144,126	146,337	\$ 2,211
Stocks	761,636	1,051,502	289,866
Government securities	<u>338,346</u>	<u>341,976</u>	<u>3,630</u>
Total	<u>\$1,509,047</u>	<u>\$1,804,754</u>	<u>\$295,707</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 \$13,281 and \$16,243.

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 (3.25% at June 30, 2020). There was \$14,739 and \$-0-, outstanding on the line of credit at June 30, 2020 and 2019, respectively.

8. Long-Term Debt

Long-term debt consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Note payable to a bank, due in monthly installments of \$1,376 including interest equal to the bank's prime rate (5.50% and 5.00% at June 30, 2020 and 2019, respectively), until August 2023. This note is secured by a first mortgage on the Council's building in Greenfield, Massachusetts.	\$ 47,873	\$ 61,304

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2020

8. Long-Term Debt (Continued)

During the year ended June 30, 2020, the Council received a loan for \$170,000 from the Small Business Administration's Paycheck Protection Program (PPP), which offered federal funding to businesses and nonprofits affected by COVID-19. The Council expects the full amount of this loan to be forgiven, pursuant to the Council's adherence to conditions set forth by Small Business Administration.

170,000

Note payable to individuals, due in two installments on August 15, 2020 and November 15, 2020, with no interest and unsecured.

33,333

50,000

Subtotal

251,206

111,304

Less amount due within one year

217,569

30,216

Long-term debt

\$ 33,637

\$ 81,088

Estimated maturities of long-term debt are as follows for the years ending June 30:

2021	\$217,569
2022	14,786
2023	16,287
2024	<u>2,564</u>
	<u>\$251,206</u>

9. Restrictions on Net Assets

Net assets with donor restrictions consisted of \$452,822 and \$445,820 in the Spaulding Pond Trust fund and \$1,221,142 and \$1,423,721 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, 2020 and 2019, respectively.

Net assets restricted by donors by creating an endowment, consisted of \$1,239,516 and \$1,206,198 at June 30, 2020 and 2019, respectively, in the Mary S. Shaub Fund investments to be held indefinitely, the income from which can be used by the Council.

CONNECTICUT RIVER WATERSHED COUNCIL, INC.

Notes to Financial Statements (Continued)

June 30, 2020

10. 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.

In early March 2020, there was a global outbreak of the COVID-19 virus that has resulted in significant changes in the global economy. As a result of a potential economic downturn, and any potential resulting direct or indirect negative impact to the Council cannot be determined, however it could have a prospective material impact on Council's business, cash flows, and liquidity.

11. 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:

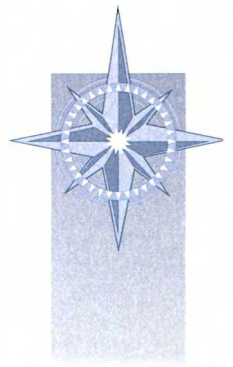
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$1,131,422	\$ 566,269
Contributions and grants receivable	1,023,935	1,023,363
Less donor restrictions	<u>(1,221,142)</u>	<u>(1,423,721)</u>
Total financials assets available for general expenditures within one year	<u>\$ 934,215</u>	<u>\$ 165,911</u>

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.

12. Subsequent Events

Management has evaluated subsequent events after the statement of financial position date of June 30, 2020, through November 9, 2020, the date on which the financial Statements were available to be issued, and concluded that no additional disclosures were required.



**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***

Independent Auditors' Report

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

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 Connecticut River Watershed Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Connecticut River Watershed Council, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Connecticut River Watershed Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Connecticut River Watershed Council, Inc.'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Connecticut River Watershed Council, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts
November 9, 2020