

**SAVE THE SOUND, INC.**

September 30, 2021 and 2020

- I. Financial Statements
- II. Reports in Accordance with  
*Government Auditing Standards*
- III. Uniform Guidance Reports
- IV. State Single Audit Reports



# SAVE THE SOUND, INC.

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September 30, 2021 and 2020

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## **I. FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Save the Sound, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Save the Sound, Inc., which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 Save the Sound Inc.'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 Save the Sound, Inc.'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 Save the Sound, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended are in accordance with accounting principles generally accepted in the United States of America.

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Act*, are presented for purposes of additional analysis and are 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 audit 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 March 7, 2022 on our consideration of Save the Sound, 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 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 Save the Sound, Inc.’s internal control over financial reporting and compliance.



Hartford, Connecticut  
March 7, 2022

# SAVE THE SOUND, INC.

## Statements of Financial Position

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,390,532	\$ 1,674,796
Grants and accounts receivable	858,392	1,559,917
Promises to give, net	349,998	396,000
Prepaid expenses	132,810	98,669
Total current assets	<u>3,731,732</u>	<u>3,729,382</u>
Non-current assets:		
Promises to give, long term, net	-	48,077
Marketable securities - endowment	8,616,007	6,932,378
Furniture and equipment, net	190,145	121,593
Charitable remainder trust, net	2,612,741	2,642,327
Beneficial interest in perpetual trust	1,016,152	934,298
Total non-current assets	<u>12,435,045</u>	<u>10,678,673</u>
 Total assets	 <u>\$ 16,166,777</u>	 <u>\$ 14,408,055</u>
 <b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 206,042	\$ 328,823
Accrued expenses	293,949	470,806
Refundable advance - Paycheck Protection Program	-	467,000
Refundable advances - grants	42,166	-
Total current liabilities	<u>542,157</u>	<u>1,266,629</u>
Net assets:		
Net assets without donor restrictions	2,999,901	2,324,060
Net assets with donor restrictions	12,624,719	10,817,366
Total net assets	<u>15,624,620</u>	<u>13,141,426</u>
 Total liabilities and net assets	 <u>\$ 16,166,777</u>	 <u>\$ 14,408,055</u>

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

# SAVE THE SOUND, INC.

## Statements of Activities

For the years ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:						
Membership fees and contributions	\$ 1,646,924	\$ 2,816,875	\$ 4,463,799	\$ 1,968,504	\$ 2,694,502	\$ 4,663,006
Government grants	1,465,725	-	1,465,725	1,628,618	-	1,628,618
Interest and dividends	11,891	47,532	59,423	17,701	50,760	68,461
Net assets released from prior years' restrictions	2,018,594	(2,018,594)	-	2,283,106	(2,283,106)	-
Total support and revenues	<u>5,143,134</u>	<u>845,813</u>	<u>5,988,947</u>	<u>5,897,929</u>	<u>462,156</u>	<u>6,360,085</u>
Expenses:						
Program	3,441,885	-	3,441,885	3,858,211	-	3,858,211
Management and general	853,323	-	853,323	714,526	-	714,526
Fundraising	928,462	-	928,462	1,007,882	-	1,007,882
Total expenses	<u>5,223,670</u>	<u>-</u>	<u>5,223,670</u>	<u>5,580,619</u>	<u>-</u>	<u>5,580,619</u>
Changes in net assets before other changes	<u>(80,536)</u>	<u>845,813</u>	<u>765,277</u>	<u>317,310</u>	<u>462,156</u>	<u>779,466</u>
Other changes:						
Realized and unrealized gains, net	289,377	909,272	1,198,649	95,154	273,614	368,768
Change in value of remainder trust	-	81,854	81,854	-	15,663	15,663
Paycheck Protection Program revenue	467,000	-	467,000	-	-	-
Change in value of beneficial interest in perpetual trust	-	(29,586)	(29,586)	-	513,691	513,691
Total other changes	<u>756,377</u>	<u>961,540</u>	<u>1,717,917</u>	<u>95,154</u>	<u>802,968</u>	<u>898,122</u>
Total changes in net assets	675,841	1,807,353	2,483,194	412,464	1,265,124	1,677,588
Net assets, beginning of year	<u>2,324,060</u>	<u>10,817,366</u>	<u>13,141,426</u>	<u>1,911,596</u>	<u>9,552,242</u>	<u>11,463,838</u>
Net assets, end of year	<u>\$ 2,999,901</u>	<u>\$ 12,624,719</u>	<u>\$ 15,624,620</u>	<u>\$ 2,324,060</u>	<u>\$ 10,817,366</u>	<u>\$ 13,141,426</u>

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

## SAVE THE SOUND, INC.

### Statements of Functional Expenses

For the years ended September 30, 2021 and 2020

	2021				2020			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Wages	\$ 1,589,945	\$ 461,229	\$ 613,841	\$ 2,665,015	\$ 1,436,369	\$ 348,665	\$ 706,865	\$ 2,491,899
Fringe benefits and payroll taxes	282,433	113,575	115,508	511,516	275,622	101,056	140,357	517,035
Engineers and construction	502,935	-	-	502,935	1,051,498	-	-	1,051,498
Consultants	443,368	62,615	4,434	510,417	486,658	42,802	240	529,700
Occupancy	94,471	110,096	52,867	257,434	85,236	99,334	47,699	232,269
Office expenses	42,988	38,892	47,016	128,896	47,243	72,055	29,496	148,794
Printing	37,654	4,121	64,645	106,420	14,737	4,654	49,316	68,707
Professional fees	86,694	35,517	635	122,846	114,322	30,000	232	144,554
Program expenses	236,977	-	-	236,977	227,742	-	-	227,742
Lobbying and media	25,275	-	875	26,150	24,675	-	975	25,650
Travel and conferences	33,078	13,805	1,368	48,251	47,062	6,659	5,123	58,844
Meetings and events	664	1,753	21,377	23,794	554	1,466	17,876	19,896
Insurance	49,613	4,999	-	54,612	43,473	3,503	4,927	51,903
Publications	6,031	-	-	6,031	-	-	2,013	2,013
Membership acquisition	-	-	5,702	5,702	-	-	2,590	2,590
Depreciation	9,759	6,721	194	16,674	3,020	4,332	173	7,525
<b>Total</b>	<b>\$ 3,441,885</b>	<b>\$ 853,323</b>	<b>\$ 928,462</b>	<b>\$ 5,223,670</b>	<b>\$ 3,858,211</b>	<b>\$ 714,526</b>	<b>\$ 1,007,882</b>	<b>\$ 5,580,619</b>

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



# SAVE THE SOUND, INC.

## Statements of Cash Flows

For the years ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,483,194	\$ 1,677,588
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	16,674	7,525
Net realized and unrealized gains on investments	(1,198,649)	(368,768)
Change in value of remainder trust	(81,854)	(15,663)
Change in value of beneficial interest in perpetual trust	29,586	(513,691)
Contributions to endowment	(520,805)	(367,314)
(Increase)/decrease in assets		
Grants and accounts receivable	701,525	10,164
Promises to give	94,079	423,613
Prepaid expenses	(34,141)	(43,175)
Increase/(decrease) in liabilities		
Accounts payable	(122,781)	(746,543)
Accrued expenses	(176,857)	261,896
Refundable advance - Paycheck Protection Program	(467,000)	467,000
Refundable advances - grants	42,166	(14,124)
Net cash provided by operating activities	<u>765,137</u>	<u>778,508</u>
<b>Cash flows from investing activities</b>		
Purchase of furniture and equipment	(85,226)	(31,129)
Contributions to endowment	520,805	367,314
Proceeds from sale of marketable securities	4,732,646	2,125,345
Purchase of marketable securities	<u>(5,217,626)</u>	<u>(2,854,486)</u>
Net cash used in investing activities	<u>(49,401)</u>	<u>(392,956)</u>
Net change in cash	715,736	385,552
Cash, and cash equivalents, beginning of year	<u>1,674,796</u>	<u>1,289,244</u>
Cash and cash equivalents, end of year	<u>\$ 2,390,532</u>	<u>\$ 1,674,796</u>
<b>Supplemental disclosures of cash flows:</b>		
Cash paid for interest	<u>\$ 326</u>	<u>\$ 164</u>

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

# SAVE THE SOUND, INC.

## Notes to Financial Statements

September 30, 2021 and 2020

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### NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

*Organization* - Save the Sound, Inc. (“Save the Sound”) is a private, non-profit organization dedicated to protecting and improving the land, air, and water of Connecticut and Long Island Sound since 1978.

Save the Sound uses legal and scientific expertise to bring people together to achieve results that benefit the environment for current and future generations. Save the Sound is engaged in several habitat restoration projects and, additionally, provides opportunities for members and the general public to engage in direct action to improve the quality of the local environment.

*Basis of Accounting and Presentation* - The financial statements of Save the Sound have been prepared on the accrual basis of accounting, and follow the recommendations of the Financial Statements of Not-for-Profit Organizations topic of the Financial Accounting Standards Board (“FASB”) Codification. Under this topic of the Codification, Save the Sound reports information regarding its financial position and activities according to two classes of net assets.

*Net assets without donor restrictions* - Net assets not subject to donor imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor imposed stipulations that may or will be met by actions of Save the Sound and/or passage of time, including net assets subject to donor-imposed stipulations that Save the Sound maintains permanently. Generally, the donors of these assets permit Save the Sound to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes.

*Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 could differ from those estimates.

*Cash and cash equivalents* – Save the Sound maintains its cash in commercial bank accounts, which at times may exceed the federally insured limits. Save the Sound has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash. Save the Sound considers all certificates of deposit to be cash equivalents.

*Marketable securities* – Marketable securities are stated at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Realized gains and losses on investments sold are determined on the average cost basis. Dividend and interest income are recorded on the accrual basis.

*Fair Value Measurement* – Save the Sound follows the *Fair Value Measurements* topic of the FASB Codification, which defines fair value and establishes a framework for measuring fair value in generally accepted accounting principles. The topic defines fair value as the exchange price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

## NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to defining fair value, the *Fair Value Measurements* topic expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. These levels are:

- Level 1 - inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters, such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

*Endowment* – Save the Sound adheres to the *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to and Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* topic of the FASB Codification. Under this topic, accumulated gains and income on donor-restricted endowment assets are classified as net assets with donor restrictions until appropriated for expenditure.

*Furniture and Equipment, Net* – Furniture and equipment is recorded at cost. Depreciation is recorded on all furniture and equipment of Save the Sound using the straight-line method over the assets' estimated useful life, which range from five to seven years. Maintenance, repairs, and renewals are charged to expense as incurred.

*Income Taxes* – Save the Sound is a not-for-profit organization exempt from income taxation pursuant to Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal or state income taxes is provided in the accompanying financial statements.

*Functional Expenses* – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among supporting services benefitted. Such allocations are determined by management on an equitable basis. All expenses that have been allocated are based on time and effort.

## NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Recognition of Revenue and Support*

*Membership Fees and Contributions* - Contributions are defined as voluntary, nonreciprocal transfers. Unconditional contributions without donor restrictions are recognized as support when received or pledged, if applicable. Contributions are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from restrictions. The Organization's policy is to present net assets with donor restrictions received during the year whose restrictions are also met during the current year with net assets without donor restrictions. Conditional contributions with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met, or explicitly waived by the donor.

*Government Grants* - The Organization received grant funding from various federal, state and local government agencies, as well as private funders, to provide a variety of program services to the public. Such government grants are nonreciprocal transactions, which are conditioned upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts are recognized as revenue when the Organization has incurred expenditures in compliance with the specific grant provisions. Amounts received prior to incurring qualifying expenses are reported as refundable advances in the statement of financial position.

At September 30, 2021 and 2020, Save the Sound also had unexpended contributions and grants of approximately \$2,883,000 and \$1,638,000 that have not been recognized pending fulfillment of conditions associated with the awards, respectively.

Promises to give that are restricted by the donor to a specific purpose that has not been met as of the statement of financial position date are shown as increases in net assets with donor restrictions. This revenue is reclassified to net assets without donor restrictions when the time or purpose restrictions are met.

*Program restricted cash* – Cash contains amounts without donor restrictions and with donor restrictions to be used for programs. Cash is comprised of the following at September 31,:

	<u>2021</u>	<u>2020</u>
Without donor restrictions	\$ 292,824	\$ (148,844)
With donor restrictions	<u>2,097,708</u>	<u>1,823,640</u>
Total	<u>\$ 2,390,532</u>	<u>\$ 1,674,796</u>

*Subsequent Events* – Save the Sound monitored and evaluated subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended September 30, 2021 through March 7, 2022, the date on which financial statements were available to be issued.

## NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents Save the Sound’s financial assets at September 30,:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,390,532	\$ 1,674,796
Grants and accounts receivable	858,392	1,559,917
Promises to give, current	349,998	396,000
Marketable securities	8,616,007	6,932,378
Total financial assets	<u>12,214,929</u>	<u>10,563,091</u>
Less cash with donor restrictions	(2,097,708)	(1,823,640)
Less donor restricted endowment	(6,548,120)	(5,041,101)
Less Strike Force Fund	(1,117,532)	(943,101)
Less amount designated as a board restricted quasi endowment	(950,355)	(830,862)
Plus amounts with donor restrictions expected to be released	<u>1,500,000</u>	<u>1,250,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,001,214</u>	<u>\$ 3,174,387</u>

As disclosed in Note 12, Save the Sound can draw up to 20%, with Board approval, from the Strike Force Fund in the case of a fiscal emergency. In addition, as disclosed in Note 8, Save the Sound had access to a \$150,000 line of credit.

As part of Save the Sound’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.

## NOTE 3 – PROMISES TO GIVE, NET

Save the Sound periodically solicits multiyear pledges. Pledges are discounted at 4%. Net promises to give are as follows as of September 30,:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 349,998	\$ 396,000
Receivable in one to five years	<u>-</u>	<u>50,000</u>
Total promises to give	349,998	446,000
Less discount	<u>-</u>	<u>(1,923)</u>
Promises to give, net	<u>\$ 349,998</u>	<u>\$ 444,077</u>

Management believes all promises to give are collectible.

**NOTE 4 – MARKETABLE SECURITIES**

The fair values of marketable securities are as follows as of September 30,:

	<u>2021</u>	<u>2020</u>
Short term investments	\$ 374,414	\$ 738,983
Government and agency bonds	1,592,088	1,040,050
Corporate bonds	592,827	383,276
Other fixed income	267,886	172,468
Domestic equities	5,448,016	4,426,611
Foreign equities	<u>340,776</u>	<u>170,990</u>
 Total marketable securities	 <u>\$ 8,616,007</u>	 <u>\$ 6,932,378</u>

All marketable securities are valued using Level 1 inputs which represent observable quoted prices for identical assets in active markets.

**NOTE 5 – FURNITURE AND EQUIPMENT, NET**

Furniture and equipment consists of the following as of September 30,:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 311,530	\$ 289,400
Leasehold improvements	85,935	22,839
Information technology hardware	<u>34,673</u>	<u>34,673</u>
	432,138	346,912
Less accumulated depreciation	<u>(241,993)</u>	<u>(225,319)</u>
 Furniture and equipment, net	 <u>\$ 190,145</u>	 <u>\$ 121,593</u>

**NOTE 6 – CHARITABLE REMAINDER TRUST**

Save the Sound has been named the beneficiary of a charitable remainder trust. Save the Sound will ascertain the remaining principal and undistributed income of the trust upon the passing of the donor. During the donor's lifetime, the trust will make annual disbursements equal to 5.0% of the assets at the beginning of the year to the donor. Annual trust income is projected to be 3.6% and the future value of the trust's investments have been discounted at 3.6%.

**NOTE 6 – CHARITABLE REMAINDER TRUST (CONTINUED)**

The charitable remainder trust activity was as follows at September 30,:

	<u>2021</u>	<u>2020</u>
Fair value of trust assets	\$ 3,746,272	\$ 3,980,819
Projected future earnings less payouts	<u>(399,589)</u>	<u>(474,393)</u>
Future estimated value of trust assets	3,346,683	3,506,426
Discount	<u>(733,942)</u>	<u>(864,099)</u>
Charitable remainder trust, net	<u>\$ 2,612,741</u>	<u>\$ 2,642,327</u>

**NOTE 7 – BENEFICIAL INTEREST IN PERPETUAL TRUST**

Save the Sound is the beneficiary in a certain perpetual trust held and administered by others. The interest in the trust's assets is carried as a donor restricted net asset in the statements of financial position. The funds are to be used to pay the executive director's salary and for general educational purposes. The fair value as of September 30, 2021 and 2020 was \$1,016,152 and \$934,298 respectively. The trust will terminate ninety nine years after the grantor's death at which time the investments will be distributed to Save the Sound.

**NOTE 8 – LINE OF CREDIT**

Save the Sound has a \$150,000 line of credit with People's United Bank that bears interest at 4.75%. The line of credit expired on March 4, 2021, and was not renewed. The balance drawn on the line of credit was \$-0- as of September 30, 2021 and 2020, respectively.

**NOTE 9 – PAYCHECK PROTECTION PROGRAM**

During April 2020, Save the Sound received approval for a Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loan in the amount of \$467,000. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over a period of eight to twenty four weeks following the date of funding. In order to qualify for forgiveness, the funding must be spent on eligible payroll expenses, and up to 40% may be spent on other eligible expenditures, such as rent and utilities. As outlined by the SBA, any unforgiven balance must be repaid over two years at an annual interest rate of 1% with an initial deferment period of ten months from the end of the covered period of the loan (interest will accrue).

During the year ended September 30, 2021, the Save the Sound obtained complete forgiveness approval from the SBA for the PPP loan in the amount of \$467,000 and recognized the full amount as revenue on the statements of activities.

## NOTE 10 – ENDOWMENT

Save the Sound's endowment consists of approximately 40 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant Law* – Save the Sound has interpreted the Connecticut Prudent Management of Institutional Funds Act (“CTPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Save the Sound classifies as restricted net assets (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. The remaining portion of the donor-restricted endowment fund that is not classified in net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Save the Sound in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, Save the Sound considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of Save the Sound and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of Save the Sound.
- (7) The investment policies of Save the Sound.



**NOTE 10 – ENDOWMENT (CONTINUED)**

Save The Sound’s endowment is made up of investment accounts. Composition by type of fund is as follows as of September 30,:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	\$ -	\$ 6,548,120	\$ 6,548,120
Strike Force Fund	1,117,532	-	1,117,532
Board-designated	950,355	-	950,355
Total endowment	<u>\$ 2,067,887</u>	<u>\$ 6,548,120</u>	<u>\$ 8,616,007</u>

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	\$ -	\$ 5,041,101	\$ 5,041,101
Strike Force Fund	943,101	-	943,101
Board-designated	948,176	-	948,176
Total endowment	<u>\$ 1,891,277</u>	<u>\$ 5,041,101</u>	<u>\$ 6,932,378</u>

The reconciliation of Save the Sound’s endowment by net asset category is as follows as:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance October 1, 2019	<u>\$ 1,458,620</u>	<u>\$ 4,375,849</u>	<u>\$ 5,834,469</u>
Investment income	30,246	77,536	107,782
Realized gains	23,125	119,480	142,605
Unrealized gains	70,163	154,134	224,297
Investment fees	(10,771)	(26,776)	(37,547)
Contributions	367,314	549,338	916,652
Appropriations for expenditure	<u>(47,420)</u>	<u>(208,460)</u>	<u>(255,880)</u>
Balance September 30, 2020	<u>1,891,277</u>	<u>5,041,101</u>	<u>6,932,378</u>
Investment income	29,057	86,232	115,289
Realized gains	101,875	482,952	584,827
Unrealized gains	189,863	426,320	616,183
Investment fees	(13,082)	(38,700)	(51,782)
Contributions	52	765,008	765,060
Appropriations for expenditure	<u>(131,155)</u>	<u>(214,793)</u>	<u>(345,948)</u>
Balance September 30, 2021	<u>\$ 2,067,887</u>	<u>\$ 6,548,120</u>	<u>\$ 8,616,007</u>

## NOTE 11 – NET ASSET WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30,:

	<u>2021</u>	<u>2020</u>
Program restrictions:		
Restoration	\$ 736,686	\$ 972,674
Legal	-	149,886
Green infrastructure	111,434	94,143
Climate and energy	255,663	110,051
Endangered lands	195,587	155,028
Long Island Sound	<u>1,148,336</u>	<u>717,858</u>
	2,447,706	2,199,640
Time restrictions:		
Endowment gains	2,506,850	1,763,619
Charitable remainder trust	<u>2,612,741</u>	<u>2,642,327</u>
	5,119,591	4,405,946
Donor restricted investments held in perpetuity:		
General support	572,720	572,720
Communication director's compensation	396,262	396,262
Peter B. Cooper Fellowship	1,277,500	1,277,500
Chief legal director's compensation	1,763,788	1,000,000
Hartford office	<u>31,000</u>	<u>31,000</u>
	4,041,270	3,277,482
Beneficial interest in perpetual trust	<u>1,016,152</u>	<u>934,298</u>
Total net assets with donor restrictions	<u>\$ 12,624,719</u>	<u>\$ 10,817,366</u>

## NOTE 12 – STRIKE FORCE FUND

The Strike Force Fund is used to respond to urgent threats requiring rapid response. Each year up to 5% of the value of the Strike Force Fund may be used at the discretion of the President with advice from the Chair and the Executive Committee of the Board of Directors. Additional withdrawals of 5% may be made annually after obtaining the approval of the majority of the Board of Directors for particularly compelling circumstances. If an additional withdrawal is made, the organization shall undertake to replenish the Strike Force Fund within three years. No further additional withdrawals can be made until the previous additional withdrawal is replenished.

An additional 15% of the Strike Force Fund may be used in an extreme emergency with the written approval of three fourths of the Board of Directors. No further emergency withdrawals can be made until the previous emergency withdrawal is replenished. Moreover, if the replenishment is not made within three years, no annual or additional 5% withdrawals under the previous paragraph may be made.

Finally, the Strike Force Fund policies may be revised with the written approval of three fourths of the Board of Directors. The Strike Force Fund is classified as an unrestricted (board designated) endowment fund. The fair value of the Strike Force Fund marketable securities was \$1,117,532 and \$943,101 at September 30, 2021 and 2020, respectively.

### NOTE 13 – EXPENSES BY PROGRAM

The following is a schedule of Save the Sound’s expenses by program at September 30,:

	<u>2021</u>	<u>2020</u>
Habitat restoration	\$ 48,178	\$ 37,352
Long Island Sound	1,279,349	1,030,817
Green infrastructure	838,012	1,708,987
Climate and energy	387,975	232,788
Communications	78,325	118,312
Endangered lands project	365,723	352,852
Adjudication	361,168	318,283
Education	54,093	38,017
Beach clean up	<u>29,062</u>	<u>20,803</u>
Total	<u>\$ 3,441,885</u>	<u>\$ 3,858,211</u>

### NOTE 14 – RETIREMENT PLAN

Save the Sound maintains a tax deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. Employees may immediately make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Employees who complete one year of service are eligible for a matching contribution made by the employer. Save the Sound may elect each year to match 50% of each employee’s contribution up to 10% of the employee’s salary. Matching contributions are vested immediately. Contributions to the plan made by Save the Sound were \$81,332 and \$53,318 for the years ended September 30, 2021 and 2020, respectively.

### NOTE 15 – OPERATING LEASES

Save the Sound leases office space in New Haven, CT and Larchmont, NY. The New Haven lease expires in July of 2022, while the Larchmont lease expires in February 2031. Total rental expense was \$174,054 and \$142,138 for the years ended September 30, 2021 and 2020, respectively.

The future minimum annual rental payments are as follows for the years ending September 30,:

2022	\$ 191,661
2023	83,364
2024	85,448
2025	87,588
2026	89,780
Thereafter	<u>415,432</u>
Total	<u>\$ 537,841</u>

**NOTE 16 – COMMUNITY FOUNDATION OF GREATER NEW HAVEN**

Save the Sound is the named beneficiary of a fund held at the Community Foundation of Greater New Haven (“CFGNH”). Save the Sound received distributions from CFGNH of \$41,300 and \$12,000 for the years ended September 30, 2021 and 2020, respectively. The value of the funds held at CFGNH was \$462,392 and \$401,913 for the years ended September 30, 2021 and 2020, respectively, and is not recorded on the statements of financial position.

**NOTE 17 – UNCERTAINTY**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic. COVID-19 has caused significant disruption in the national and global economy. Save the Sound’s operating activities, liquidity and cash flows may be adversely affected by this global pandemic. While the disruption is currently expected to be temporary, there is uncertainty related to the duration. Therefore the related financial impact cannot be reasonably estimated at this time.

**II. REPORTS IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' 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

To the Board of Directors of  
Save the Sound, Inc.

We have audited, 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, the financial statements of Save the Sound, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 March 7, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered Save the Sound, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Save the Sound, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Save the Sound, 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Save the Sound, Inc.'s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 Save the Sound, Inc.'s financial statements are free of 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 financial statements. 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 result of that testing, and not to provide an opinion on the effectiveness of Save the Sound, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Save the Sound, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Whittlesey PC".

Hartford, Connecticut  
March 7, 2022

**III. REPORTS IN ACCORDANCE WITH THE  
UNIFORM GUIDANCE**



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of  
Save the Sound, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Save the Sound, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Save the Sound, Inc.'s major federal programs for the year ended September 30, 2021. Save the Sound, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Save the Sound, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Save the Sound, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Save the Sound, Inc.'s compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Save the Sound, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

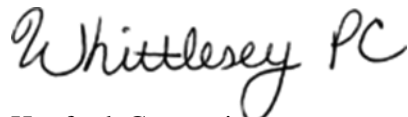
### **Report on Internal Control over Compliance**

Management of Save the Sound, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Save the Sound, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Save the Sound, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Hartford, Connecticut  
March 7, 2022

# SAVE THE SOUND, INC.

## Schedule of Expenditures of Federal Awards

For the year ended September 30, 2021

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Expenditures
<b>Department of the Interior</b>				
<i>Passed Through National Fish and Wildlife Foundation</i>				
Hurricane Sandy Disaster Relief Activities - FWS	15.677	N/A	\$ -	\$ 27,708
Hurricane Sandy Disaster Relief Activities - Coastal Resiliency Grants	15.153	N/A	-	53,987
Total Department of the Interior			-	81,695
<b>Environmental Protection Agency</b>				
Long Island Sound Program	66.437	N/A	-	606,270
<i>Passed Through National Fish and Wildlife Foundation</i>				
Long Island Sound Program	66.437	N/A	-	156,166
Total Environmental Protection Agency			-	762,436
Total Expenditure of Federal Awards			\$ -	\$ 844,131

The accompanying notes are an integral part of the schedule.

# SAVE THE SOUND, INC.

## Notes to Schedule of Expenditures of Federal Awards

For the year ended September 30, 2021

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### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Save the Sound, Inc. under programs of the federal government for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the schedule presents only a selected portion of the operations of Save the Sound, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Save the Sound, Inc.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Save the Sound, Inc. has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

# SAVE THE SOUND, INC.

## Schedule of Findings and Questioned Costs

For the year ended September 30, 2021

### **I. SUMMARY OF AUDITORS' RESULTS**

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Type of auditors' report issued on compliance for major federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of Uniform Guidance?

\_\_\_\_\_ yes  X  no

#### Identification of Federal Major Programs

Name of Federal Program or Cluster	CFDA Number
Long Island Sound Program	66.437
Dollar threshold used to distinguish between type A and type B programs	<u> \$ 750,000 </u>

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

### **II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

### **III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**IV. REPORTS IN ACCORDANCE WITH THE  
STATE SINGLE AUDIT ACT**

INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE STATE SINGLE AUDIT ACT

To the Board of Trustees of  
Save the Sound, Inc.

**Report on Compliance for Each Major State Program**

We have audited Save the Sound, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of Save the Sound, Inc.'s major state programs for the year ended September 30, 2021. Save the Sound, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of state findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Save the Sound, Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Save the Sound, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Save the Sound, Inc.'s compliance.

***Opinion on Each Major State Program***

In our opinion, Save the Sound, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2021.

## Report on Internal Control over Compliance

Management of Save the Sound, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Save the Sound, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Save the Sound, Inc.'s internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.



Hartford, Connecticut  
March 7, 2022



# SAVE THE SOUND, INC.

## Schedule of Expenditures of State Financial Assistance

For the year ended September 30, 2021

<u>State Grantor/ Pass-Through Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<b>State of Connecticut Department of Energy and Environmental Protection:</b>			
Merwin Meadows LLO	12060-DEP43720-20871-61004	N/A	\$ 240,000
Hamden Town NHS Stormwater Retrofit	12060-DEP43720-20871-61004	N/A	<u>34,510</u>
			274,510
Merwin Meadows LISS	12060-DEP43720-21773-61009	N/A	215,223
Mill River DEEP	12060-DEP43720-35169-61009	N/A	<u>14,450</u>
Total State Financial Assistance			<u>\$ 504,183</u>

# SAVE THE SOUND, INC.

## Notes to Schedule of State Financial Assistance

September 30, 2021

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The accompanying schedule of expenditures of state financial assistance includes state grant activity of Save the Sound, Inc. under programs of the State of Connecticut for the fiscal year ended September 30, 2021. The State of Connecticut Department of Energy and Environmental Protection has provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including protecting and improving the land, air, and water of Connecticut and Long Island Sound.

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of Save the Sound, Inc. conform to accounting principles generally accepted in the United State of America as applicable to not-for-profit organizations.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

#### ***Basis of Accounting***

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

# SAVE THE SOUND, INC.

## Schedule of State Findings and Questioned Costs

For the year ended September 30, 2021

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### I. Summary of Auditors' Results:

#### Financial Statements

Type of auditors' opinion issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

#### State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditors' opinion issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ yes   X   no

- The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
<b>State of Connecticut Department of Energy and Environmental Protection:</b>		
Merwin Meadows LLO	12060-DEP43720-20871-61004	\$ 240,000
Hamden Town NHS Stormwater Retrofit	12060-DEP43720-20871-61004	34,510
		274,510
Merwin Meadows LISS	12060-DEP43720-21773-61009	212,555
Dollar threshold to distinguish between type A and type B programs		\$ 100,000

### II. Financial Statement Findings:

No matters were reported.

### III. State Financial Assistance Findings and Questioned Costs:

No matters were reported.

**Headquarters**

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