



## SoundWaters

### Request for Operating Funding to the City of Stamford *January 2026*

#### 1. SoundWaters Mission Statement and Program Description

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- C. SoundWaters Programs, Reach and Impact
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#### 2. SoundWaters Financial Documents

- A. FY24-25 Operating Results (for 12 months ended June 30, 2025)
- B. FY25-26 Operating Budget and Forecast  
(includes operating budget, actuals as of Oct 31, 2025, and forecast)
- C. FY26-27 Proposed Operating Budget
- D. Audited Financial Statement



# Section 1: SoundWaters Mission Statement and Program Description

## A. SOUNDWATERS MISSION STATEMENT

### Create a Better World through Joyful Learning on Long Island Sound

While still fragile, Long Island Sound is now a healthy and thriving resource for recreation, commerce, and education. SoundWaters uses the Sound as our classroom, a million-acre classroom, to teach students about the global environmental issues that threaten their future.

This approach now frames our new mission that captures the expanded scope of our teaching and reinforces the power of fun, hands-on experiences on Long Island Sound.

### **SoundWaters prepares the next generation for their future.**

With our climate in crisis, we teach tomorrow's leaders the science they will need. With Long Island Sound as our classroom, we create love and respect for the natural world. As a matter of justice, we open the water to all. As a matter of urgency, we work to protect our common home.

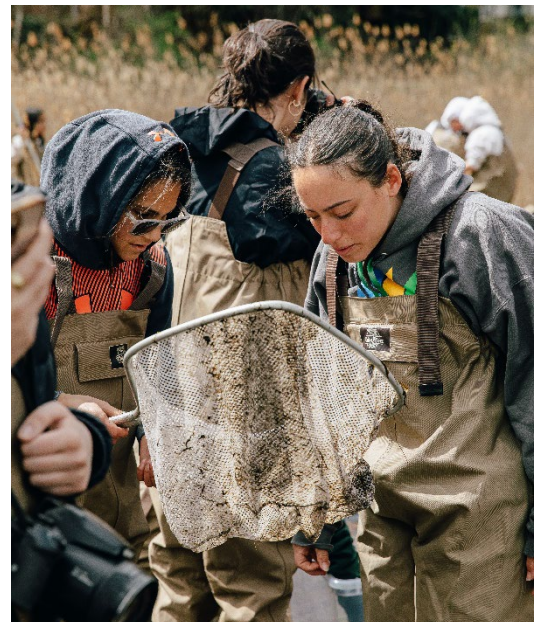
### **We teach every Stamford student in multiple grades.**

In 2026 we will provide climate science education for every Stamford CLC preschooler, 1<sup>st</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 6<sup>th</sup> and 9<sup>th</sup> graders. Over 6,000 SPS students will learn with SoundWaters in the coming year.

At SoundWaters, we believe that **our community is stronger when we are connected to and learning from Long Island Sound.**

### **In alignment with Mayor Simmons' policy priorities, SoundWaters works to:**

1. support educational programming for SPS students.
2. promote green infrastructure, resilience and sustainability and programming.
3. enhance the quality of life for all Stamford residents.



## B. SOUNDWATERS BACKGROUND

For over 35 years, SoundWaters has taught over 500,000 students, getting them into the water in waders, onto the water in sailboats and into the lab with microscopes. These joyful experiences for young students have produced a powerful effect.

A former student (and an AITE graduate), who is now an environmental professional noted that:

“while not every SoundWaters student will go on to enter the environmental field, every student will walk away with an unparalleled appreciation for the natural world.

That alone will be a catalyst for change from generation to generation. That is how we will change the world.”



Founded in 1989, SoundWaters began with our Schooner – a sailing vessel to teach children and adults about Long Island Sound, our greatest natural resource. The iconic *SoundWaters* schooner, based in Stamford Harbor, sails with thousands of passengers each year.

In 2000, SoundWaters partnered with the City of Stamford to renovate the historic Holly House in Cove Island Park and opened the Coastal Education Center, where Stamford students from pre-school to high school study local ecology and climate science and gain grade-appropriate skills in science that expand upon their classroom learning.



In 2022, SoundWaters, in collaboration with the City and through a years-long investment of funding and staffing, opened our Harbor Center to provide space for young people in our community to develop life skills, science skills, and job skills.

## C. SOUNDWATERS PROGRAMS, REACH AND IMPACT

### Support for Students

**Every Stamford Public School student attends a SoundWaters program, in multiple grades, throughout the year.** As our planet faces increasing threats from a relentlessly changing climate, our goal is to increase students' literacy of climate science.

We teach Stamford students to understand climate science deeply, so their generation is prepared to confront and blunt the impact of climate change in their lifetime.

A resilient Stamford will rely on the knowledge, passion, and actions of the next generation of SPS students as they assume leadership roles in our community's environmental future.

**Providing the students of today with the cutting-edge science training that is critical to ensuring Stamford's climate resiliency.**



### Support for Young Adults



**Harbor Corps, our workforce development program, prepares young people for meaningful careers in the marine trades.** At SoundWaters, we know first-hand that while the Sound is a great source of education – a million-acre classroom – it is also a jobs resource. Marinas, dredgers, oystermen, tugboat operators: all these companies are looking for workers with an interest and basic training in the maritime trades.

Harbor Corps recruits 18–24-year-old high school graduates who are eager to work but have no clear pathway to long-term, stable career success. Harbor Corps is free for all members, who receive a weekly stipend. Members gain daily training in a wide variety of basic skills applicable to the marine trades, such as carpentry, boat maintenance, fiberglass, small engine repair, and welding. Members also receive training in interpersonal relationships, resume-writing, job-search and interview best practices, and personal finance. **The goal is to prepare young people for successful careers in the marine trades**

## **Support for Families**

When families are under financial pressure, it is often the small but important expenses that are not possible, and these may include academic enrichment. SoundWaters scholarship funding in Stamford helps to remove these pressures for much-needed learning and joyful experiences. **Every Stamford public school, from pre-K through High School, receives financial support from SoundWaters.** SoundWaters is committed to supporting our community's families who are most in need of financial assistance and middle-income families who are financially stressed yet not eligible for many subsidized opportunities. **Last summer over 200 Stamford families received financial aid for summer enrichment with SoundWaters.**



**SoundWaters also offers activities to ensure that all families can access the Sound:**



*Sound Families* is a free, family-centered program for low-income Stamford families. *Sound Families* is a Long Island Sound ecology sail that allows families to learn about their Stamford community from an exciting, new perspective. While sailing aboard our 80-foot, three-masted Schooner, *SoundWaters*, adults and children learn about the history of Stamford Harbor, the animals and plants that call it home and ways that each person can protect this amazing resource.

## **Support for our City Environment**

Every year, SoundWaters organizes and leads clean-ups across the Stamford waterfront, providing outreach, education, and materials to support this work. These clean-ups have dual benefits. First and foremost, these activities improve the health of our landscape for people and other living things. Second, these activities engage a broad range of residents, bringing people together each month to make a difference for, and become a deeper member of, our Stamford community.



## D. FUTURE GROWTH AND CHALLENGES

In the next year, SoundWaters will:

1. **Provide programs to all.** We will continue – as we have for over 35 years - to provide programs on FULL scholarship to ANY student whose family qualifies for free/ reduced lunch.
2. **Bring critical climate science learning to SPS students.** All programs, differentiated by topic and grade level, are offered at reduced or no charge to Stamford Public Schools.
3. **Reach every Stamford student in multiple grades.** In 2026 we will provide climate science education for every Stamford CLC preschooler, 1<sup>st</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 6<sup>th</sup> and 9<sup>th</sup> grader, at a vastly reduced rate (less than \$4 per student).
4. **Expand the intensive research and learning experience** for talented high school students with after-school semesters and intensive summer semesters.
5. **Expand the Harbor Corps job training** program for youth, at the new Harbor Center. This includes the addition of a new, afterschool Harbor Corps program for high school students, provided at no cost to the students.
6. **Lead community efforts to bring thousands of volunteer hours** in clean-ups at City beaches, playgrounds and schoolyards. In 2025, SoundWaters organized and led 45 clean-ups across six Stamford parks/ beaches:
  - 12 cleanups at Boccuzzi Park, 1,194 lbs collected
  - 10 cleanups at Cove Island Park, 957 lbs collected
  - 7 cleanups at Kosciuszko Park, 1,215 lbs collected
  - 7 cleanups at Scalzi Park, 576 lbs collected
  - 5 cleanups at West Beach, 978 lbs collected
  - 4 cleanups at Cummings Park, 671 lbs collected

We led 1,118 community volunteers who collected and removed over 3 tons of trash. In 2026, we will look to engage more residents!



7. **Partner with Stamford's Harbor Management Commission on water testing** to provide key data that will allow the Commission to open public shellfish beds in 2026.
8. **Summer employment.** In the summer of 2026, SoundWaters will again hire and train over 50 youth to work as interns, instructors, counselors, and more. For many Stamford young people, SoundWaters is their first job, and we provide mentoring, resume-building, and interview practice for these young people.
9. **Stamford Harbor Salt Marsh Restoration.** After a year of planning, in 2026, SoundWaters will lead multi-pronged efforts to restore the 2-acre salt marsh in Stamford Harbor. This restoration will provide key resilience benefits to the City, improve habitat for critical species, and create an outdoor learning laboratory for thousands of local Stamford students. This project is wholly funded by grants: at no cost to the City.
10. **New Vessel Campaign.** To meet the growing demand for high-level training, SoundWaters will embark on a plan to fund and build a new vessel, in addition to the Schooner, to enable more students to learn on the water, throughout the year.



## D. OPERATING REQUEST TO THE CITY OF STAMFORD

**SoundWaters respectfully requests operating funding of \$100,000 for support of SoundWaters educational and public programming.** These funds would be applied to support the salaries of our education staff who directly teach Stamford students.

The City's investment in SoundWaters will yield significant returns for Stamford students and residents.

We are a coastal City. We are a waterfront City. Our waterfront is what makes us unique. **The SoundWaters operating request will allow the City to leverage the waterfront as an amenity for learning, living and celebrating life here in Stamford.**

Thank you for your consideration.



## Section 2: SoundWaters Financial Documents

- FY24-25 Operating Results (for 12 months ended June 30, 2025)
- FY25-26 Operating Budget and Forecast  
(includes operating budget, actuals as of Oct 31, 2025, and forecast)
- FY26-27 Proposed Operating Budget
- Audited Financial Statement





**SoundWaters Inc.**  
**Statement of Operating Results**  
**For Twelve Months Ended June 30, 2025**

<b>REVENUE</b>	Actual	Budget	Variance
<b>Program Revenue</b>			
School Partnerships	\$ 285,824	\$ 345,080	\$ (59,256)
Summer Youth Development	427,329	371,250	56,079
Public Outreach	152,887	215,000	(62,113)
Research Training	74,136	69,800	4,336
<b>Program Revenue</b>	<b>940,176</b>	<b>1,001,130</b>	<b>(60,954)</b>
<b>Development Revenue</b>			
Foundations & Corporations	553,600	600,000	(46,400)
Individuals	539,650	550,000	(10,350)
Government grants	367,504	490,822	(123,318)
Special Events	535,220	500,000	35,220
Other	28,185	50,000	(21,815)
<b>Development Revenue</b>	<b>2,024,158</b>	<b>2,190,822</b>	<b>(166,663)</b>
<b>Total Revenue</b>	<b>2,964,335</b>	<b>3,191,952</b>	<b>(227,617)</b>
<b>EXPENSES</b>			
School Partnerships	1,109,013	1,061,000	(48,013)
Summer Youth Development	378,775	273,000	(105,775)
Public Outreach	60,202	69,000	8,798
Research/Training	318,911	339,000	20,089
Infrastructure	727,765	729,000	1,235
Administration & Development	639,415	755,000	115,585
Special Events	285,002	244,000	(41,002)
<b>Total Expenses</b>	<b>3,519,084</b>	<b>3,470,000</b>	<b>(49,084)</b>
<b>Surplus/(Deficit) Operations</b>	<b>\$ (554,749)</b>	<b>\$ (278,048)</b>	<b>\$ (276,701)</b>

**Note:**

An Operating Deficit was planned for 2025. Actual deficit is higherer due to higher program expenses.



**SoundWaters Inc.**  
**Actual Operating Results, Budget and Variance**  
**For the Four Months Ended October 31, 2025**  
**Full Year Budget and Forecast**  
**For the Twelve Months Ending June 30, 2026**

<b>REVENUE</b>	YTD Actual	YTD Budget	YTD Variance	Full Year Budget	Full Year Forecast
<b>Program Revenue</b>					
School Partnerships	77,596	71,457	6,139	345,900	350,000
Summer Youth Development	375,318	359,923	15,395	460,000	450,000
Public Outreach	83,979	105,490	(21,511)	181,500	180,000
Research Training	38,520	47,277	(8,757)	88,000	70,000
<b>Program Revenue</b>	<b>575,414</b>	<b>584,148</b>	<b>(8,734)</b>	<b>1,075,400</b>	<b>1,050,000</b>
<b>Development Revenue</b>					
Foundations & Corporations	110,950	156,832	(45,882)	615,000	650,000
Individuals	60,866	81,936	(21,070)	625,000	625,000
Government grants	91,000	90,000	1,000	300,000	300,000
Special Events	76,007	82,367	(6,360)	588,000	500,000
Other	12,341	16,667	(4,325)	50,000	50,000
<b>Development Revenue</b>	<b>351,164</b>	<b>427,802</b>	<b>(76,637)</b>	<b>2,178,000</b>	<b>2,125,000</b>
<b>Total Revenue</b>	<b>926,578</b>	<b>1,011,950</b>	<b>(85,371)</b>	<b>3,253,400</b>	<b>3,175,000</b>
<b>EXPENSES</b>					
School Partnerships	307,497	314,664	7,167	1,132,000	1,120,000
Summer Youth Development	290,701	292,699	1,998	413,000	390,000
Public Outreach	60,394	49,436	(10,958)	65,000	65,000
Research/Training	65,025	105,822	40,797	372,000	330,000
Infrastructure	245,698	248,384	2,686	753,000	740,000
Administration & Development	176,577	183,330	6,753	723,000	725,000
Special Events	55,177	49,188	(5,990)	246,000	245,000
<b>Total Expenses</b>	<b>1,201,070</b>	<b>1,243,523</b>	<b>42,453</b>	<b>3,704,000</b>	<b>3,615,000</b>
<b>Surplus/(Deficit) Operations</b>	<b>(274,492)</b>	<b>(231,573)</b>	<b>(42,918)</b>	<b>(450,600)</b>	<b>(440,000)</b>

**Note:**

The FY25 budget reflects SoundWaters continued and expanding program offerings that provide climate related studies to students, young adults and families regardless of their ability to pay fees. Program revenue above is net of scholarships provided to schools and individuals served. The operating deficit is planned as we invest in people, programs and materials for continued growth.



**SoundWaters Inc.  
FY26-27 Proposed Operating Budget**

**Statement of Revenue and Expenses**

	<b>FY 27 Budget</b>	<b>FY 26 Budget</b>
<b>REVENUE</b>		
<b>Program Revenue</b>		
School Partnerships	410,436	345,900
Summer Youth Development	535,105	460,000
Public Outreach	257,514	181,500
Research/Training	99,566	88,000
<b>Program Revenue Subtotal</b>	<b>1,302,621</b>	<b>1,075,400</b>
<b>Program Revenue - Gross</b>	<b>1,962,364</b>	<b>1,645,350</b>
<b>Program Revenue - Scholarships</b>	<b>(659,744)</b>	<b>(569,950)</b>
<b>Program Revenue - Net - Subtotal</b>	<b>1,302,620</b>	<b>1,075,400</b>
<b>Foundations &amp; Corporations</b>	<b>650,000</b>	<b>615,000</b>
<b>Individuals</b>	<b>625,000</b>	<b>625,000</b>
<b>Government grants</b>	<b>454,500</b>	<b>300,000</b>
<b>Special Events</b>	<b>617,400</b>	<b>588,000</b>
<b>Other</b>	<b>52,500</b>	<b>50,000</b>
<b>Development Revenue Subtotal</b>	<b>2,399,400</b>	<b>2,178,000</b>
<b>Total Revenue</b>	<b>3,702,020</b>	<b>3,253,400</b>
<b>School Partnerships</b>	<b>1,258,000</b>	<b>1,132,000</b>
<b>Summer Youth Development</b>	<b>422,000</b>	<b>413,000</b>
<b>Public Outreach</b>	<b>93,000</b>	<b>65,000</b>
<b>Research and Training</b>	<b>437,000</b>	<b>372,000</b>
<b>Infrastructure</b>	<b>821,000</b>	<b>753,000</b>
<b>Administration &amp; Development</b>	<b>749,000</b>	<b>723,000</b>
<b>Special Events</b>	<b>258,000</b>	<b>246,000</b>
<b>Total Expenses</b>	<b>4,038,000</b>	<b>3,704,000</b>
<b>Surplus/(Deficit) Operations</b>	<b>(335,980)</b>	<b>(450,600)</b>

**Note:**

The FY26 budget includes a decreasing deficit as SoundWaters continues to invest in people, programs and materials for continued growth with scholarships for broad participation.

**SOUNDWATERS, INC.**  
Independent Auditors' Report  
Financial Statements  
June 30, 2025 and 2024



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
SoundWaters, Inc.

### ***Opinion***

We have audited the accompanying financial statements of SoundWaters, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 SoundWaters, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 SoundWaters, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SoundWaters, 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 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, 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 SoundWaters, 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 SoundWaters, 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.

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

Hartford, Connecticut  
November 12, 2025

# SOUNDWATERS, INC.

## Statements of Financial Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,845,016	\$ 2,652,150
Investments	3,020,774	2,442,379
Accounts receivable	108,121	257,835
Receivable from City of Stamford	-	260,000
Contributions receivable, current portion	309,369	670,691
Prepaid expenses	59,079	53,293
Other assets	344,377	284,125
Total current assets	<u>6,686,736</u>	<u>6,620,473</u>
<b>Other Assets</b>		
Property and equipment, net	10,755,895	11,125,704
Contributions receivable, net of current portion	56,422	277,599
Donated use of property, net	281,762	282,816
Total assets	<u>\$ 17,780,815</u>	<u>\$ 18,306,592</u>
<b>Liabilities and net assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 306,526	\$ 364,461
Deferred revenue	477,005	472,430
Total current liabilities	<u>783,531</u>	<u>836,891</u>
<b>Other Liabilities</b>		
Deferred compensation	308,108	253,436
Total liabilities	<u>1,091,639</u>	<u>1,090,327</u>
<b>Net assets</b>		
Without donor restrictions	14,691,564	14,639,396
With donor restrictions	1,997,612	2,576,869
Total net assets	<u>16,689,176</u>	<u>17,216,265</u>
Total liabilities and net assets	<u>\$ 17,780,815</u>	<u>\$ 18,306,592</u>

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

# SOUNDWATERS, INC.

## Statements of Activities

For the years ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenue</b>						
Contributions	\$ 670,311	\$ 449,123	\$ 1,119,434	\$ 916,284	\$ 253,538	\$ 1,169,822
Contributed non-financial assets	60,970	-	60,970	56,731	-	56,731
Special events revenue	313,031	187,097	500,128	408,276	68,139	476,415
Net direct benefit to donors	(99,527)	-	(99,527)	(90,995)	-	(90,995)
Education programs and other revenue	906,645	-	906,645	884,036	-	884,036
Government grants - operations	367,504	-	367,504	844,256	-	844,256
Employee retention credit income	164,989	-	164,989	-	-	-
Other revenue	36,131	-	36,131	28,768	-	28,768
Investment return and interest income	308,261	78,328	386,589	229,557	87,236	316,793
Net assets released from restrictions	1,293,805	(1,293,805)	-	231,531	(231,531)	-
Total public support and revenue	<u>4,022,120</u>	<u>(579,257)</u>	<u>3,442,863</u>	<u>3,508,444</u>	<u>177,382</u>	<u>3,685,826</u>
<b>Expenses</b>						
Program services	3,215,616	-	3,215,616	3,109,939	-	3,109,939
Management and general	241,300	-	241,300	308,612	-	308,612
Fund development	513,036	-	513,036	421,566	-	421,566
Total expenses	<u>3,969,952</u>	<u>-</u>	<u>3,969,952</u>	<u>3,840,117</u>	<u>-</u>	<u>3,840,117</u>
Change in net assets	52,168	(579,257)	(527,089)	(331,673)	177,382	(154,291)
Net assets, beginning of year	14,639,396	2,576,869	17,216,265	14,971,069	2,399,487	17,370,556
Net assets, end of year	<u>\$ 14,691,564</u>	<u>\$ 1,997,612</u>	<u>\$ 16,689,176</u>	<u>\$ 14,639,396</u>	<u>\$ 2,576,869</u>	<u>\$ 17,216,265</u>

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

# SOUNDWATERS, INC.

## Statement of Functional Expenses

For the year ended June 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Development</u>	<u>Totals</u>
Salaries and related expenses	\$ 1,768,458	\$ 175,621	\$ 304,947	\$ 2,249,026
Supplies	169,606	587	22,387	192,580
Transportation	8,541	-	1,362	9,903
Food	43,771	1,810	53,176	98,757
Occupancy	152,156	585	36,788	189,529
Postage and freight	1,492	483	6,850	8,825
Printing and publications	13,473	859	11,166	25,498
Advertising and marketing	62,259	-	3,000	65,259
Professional fees	146,194	33,126	150,804	330,124
Meetings, dues and subscriptions	9,177	5,180	5,339	19,696
Maintenance	206,499	6,050	-	212,549
Telephone	10,463	113	80	10,656
Insurance	191,016	4,626	-	195,642
Merchant fees	21,416	-	6,664	28,080
Other expenses	14,693	-	10,000	24,693
Depreciation	396,402	12,260	-	408,662
	<u>3,215,616</u>	<u>241,300</u>	<u>612,563</u>	<u>4,069,479</u>
Less: net direct benefit to donors recorded on statement of activities	<u>-</u>	<u>-</u>	<u>(99,527)</u>	<u>(99,527)</u>
Total expenses	<u>\$ 3,215,616</u>	<u>\$ 241,300</u>	<u>\$ 513,036</u>	<u>\$ 3,969,952</u>

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

## SOUNDWATERS, INC.

### Statement of Functional Expenses

For the year ended June 30, 2024

	<b>Program Services</b>	<b>Management and General</b>	<b>Fund Development</b>	<b>Totals</b>
Salaries and related expenses	\$ 1,456,979	\$ 222,508	\$ 305,065	\$ 1,984,552
Supplies	215,084	672	15,601	231,357
Transportation	9,729	-	1,834	11,563
Food	34,603	1,221	56,829	92,653
Occupancy	139,098	478	36,697	176,273
Postage and freight	1,107	553	5,598	7,258
Printing and publications	15,953	111	7,221	23,285
Advertising and marketing	50,740	-	16,576	67,316
Professional fees	154,415	56,690	54,686	265,791
Meetings, dues and subscriptions	6,735	3,426	1,917	12,078
Maintenance	417,930	6,451	-	424,381
Telephone	9,042	87	-	9,129
Insurance	172,800	4,367	-	177,167
Merchant fees	24,148	-	10,537	34,685
Other expenses	12,014	-	-	12,014
Depreciation	389,562	12,048	-	401,610
	<u>3,109,939</u>	<u>308,612</u>	<u>512,561</u>	<u>3,931,112</u>
Less: net direct benefit to donors recorded on statement of activities	<u>-</u>	<u>-</u>	<u>(90,995)</u>	<u>(90,995)</u>
 Total expenses	<u>\$ 3,109,939</u>	<u>\$ 308,612</u>	<u>\$ 421,566</u>	<u>\$ 3,840,117</u>

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

# SOUNDWATERS, INC.

## Statements of Cash Flows

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (527,089)	\$ (154,291)
Adjustments to reconcile change in net assets to change in cash from operating activities:		
Depreciation	408,662	401,610
Realized and unrealized gain on investments	(207,051)	(170,069)
Donated use of property	1,054	993
(Increase)/decrease in operating assets:		
Accounts receivable	149,714	212,827
Receivable from City of Stamford	260,000	39,632
Contributions receivable	582,499	944,991
Prepaid expenses	(5,786)	11,031
Other assets	(60,252)	(106,105)
Increase/(decrease) in operating liabilities:		
Accounts payable and accrued expenses	(57,935)	(893,782)
Deferred revenue	4,575	73,575
Deferred compensation	54,672	106,233
Change in cash from operating activities	<u>603,063</u>	<u>466,645</u>
<b>Cash flows from investing activities</b>		
Proceeds from the sale of investments	107,719	45,822
Purchases of investments	(479,063)	(311,139)
Purchases of property and equipment	(38,853)	(214,645)
Change in cash from investing activities	<u>(410,197)</u>	<u>(479,962)</u>
Net change in cash and cash equivalents	192,866	(13,317)
Cash and cash equivalents, beginning of year	<u>2,652,150</u>	<u>2,665,467</u>
Cash and cash equivalents, end of year	<u>\$ 2,845,016</u>	<u>\$ 2,652,150</u>

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

# SOUNDWATERS, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

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### NOTE 1 – THE ORGANIZATION

SoundWaters, Inc. (“SoundWaters” or the “Organization”) is a not-for-profit organization whose mission is to create a better world through joyful learning on Long Island Sound. The Sound is our million-acre classroom, where SoundWaters teaches the science of the natural world to over 28,000 students a year. When students discover the Sound, they can embrace the world. Through teaching, training, sailing and research, SoundWaters works towards a sustainable environment where people have a passion for the Long Island Sound, students succeed, and our community thrives.

SoundWaters has sustained relationships built on shared values and trust for over 30 years that include community, school, business, and political leaders. The Organization is committed to ensuring that no child or school will be excluded from our programs due to an inability to pay. Overall, over half of the students we teach are from low-income communities and receive full or partial scholarship assistance.

The Organization began in 1990 with the acquisition of the 80-foot, 3-masted Schooner SoundWaters, reaching several hundred students aboard ship in its first year. Over thirty years later, SoundWaters now reaches and teaches young people from over 110 schools throughout the region in programs that range from climate science education research, water quality research, marine job training, small-boat sailing, mentoring, and advanced high school research internships.

SoundWaters’ Coastal Education Center provides an ideal environment for teaching thousands of students each year. With classroom, aquarium, and lab space inside, and Long Island Sound and Holly Pond in its backyard, the Coastal Education Center enables SoundWaters to welcome schools and students 12 months a year. The Organization’s second site at Stamford Harbor, the Cohen SoundWaters Harbor Center, offers ideal space for sailing, water quality research, aquaculture and more. The schooner sails from April through October with classrooms of students from its home port of Stamford as well as traveling to a dozen harbors throughout the region.

In addition to the wide range of education programs, SoundWaters also offers programs for the broader community - all with the goal of providing a way for people to develop a meaningful connection with the local environment. This year SoundWaters connected over 6,500 people to the local environment through these programs, which range from public sails to paddle sports to coastal clean-ups and more. Through all of these programs, resources, and a great team of people, SoundWaters makes Long Island Sound accessible to all, thereby creating a legacy of joyful learning and lifelong stewardship. SoundWaters believes that a healthy community is a human right and works every day to make this a reality for all.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Accounting* - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in the United States of America.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Net Assets* - Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations, including stipulations that will be met either by actions of the Organization or the passage of time, stipulations that they be maintained permanently by the Organization, and unappropriated endowment earnings.

*Cash and Cash Equivalents* - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Accounts and Contributions Receivable* - The Organization carries accounts and contributions receivable at cost and uses the specific write-off method for doubtful accounts. Experience and management's estimation indicate receivables are fully collectible. On a periodic basis, the Organization evaluates its accounts receivable and whether the balances are collectible.

*Investments* - Investments are recorded at fair value with unrealized gains and losses included in the statements of activities. The Organization reports investment income and gains and losses as increases or decreases in net assets without donor restrictions in the statements of activities unless a donor or law restricts their use.

*Fair Value Measurements* - The Organization measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. An entity is required to classify certain assets and liabilities measured at fair value based on the following fair value hierarchy that prioritizes the inputs used to measure fair value:

*Level 1:* Unadjusted quoted prices in active markets for identical assets and liabilities.

*Level 2:* Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

*Level 3:* Unobservable inputs that are supported by little or no market activity and may be derived from internally developed methodologies based on management's best estimates.

The following is a description of the valuation methodologies used for assets measured at fair value:

*Equities and Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at the price. The funds held by the Organization are deemed to be actively traded.

There have been no changes in the methodologies used at June 30, 2025 and 2024. The fair values of all investments are determined using quoted prices for identical assets in active markets in which the Organization has access (Level 1).

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Property and Equipment* - Property and equipment are carried at cost or at fair values on donation date if contributed, less accumulated depreciation. Gifts of property and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used, in which case they are reported as support with donor restrictions. Absent explicit donor stipulations about how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Equipment purchased for a value of \$5,000 or greater is capitalized. Repairs and maintenance to existing facilities are charged as expenses as incurred. The Organization uses the direct expensing method for accounting for planned major maintenance activities.

Depreciation is determined by use of the straight-line method over the following useful lives. Presently, three years is used for office equipment, five to seven years for office and boating equipment, ten years for exhibits, displays, and smaller boats, twenty years for the Schooner *SoundWaters*, and thirty-nine years for buildings and leasehold improvements.

### *Revenue Recognition*

Contributions: Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions. If a donor restriction is fulfilled in the same time period in which the contribution is received, the Organization recognizes the support as without donor restrictions. Donations that are intended to be held in perpetuity by the donor, from which *SoundWaters*' may utilize only the income, are recorded in the net assets with donor restrictions class.

Contributions receivable: Unconditional pledges are recognized as revenue in the period received and recorded as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Conditional pledges are recognized when the conditions on which they depend are substantially met.

Contributed non-financial assets: The Organization receives a substantial amount of volunteer services in carrying out its programs and activities. Volunteers perform various administrative, fiscal advisory and fundraising functions. However, no amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition. Contributed services are not recognized unless the donated services create or enhance non-financial assets or require specialized skills that would typically be purchased if not donated. In-kind contributions are measured at the fair value of the asset transferred to the Organization, or the liability cancelled or settled.

Government grants: The Organization follows the *Not-for-Profit Revenue Recognition* top of the Accounting Standards Codification. Grants and contracts, as with all contributions, are recognized as revenue when barriers within the contract are overcome, and there is no right of return. There are instances when the Organization receives advances from the governmental funding sources. Such advances are recorded as refundable advances from governmental agencies in the accompanying statements of financial position, if applicable.

Education programs and other: The Organization receives revenue from camp fees, kayak and paddleboard rentals, Young Mariner's fees and various other program services fees which are accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09. Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the contracted services. For facility rentals, the Organization bills for direct costs based on a contract, or when services are performed. Receivables require a deposit or are due in full when billed and revenue is recognized as performance obligations are satisfied.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Performance obligations are determined based on the nature of the services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. There are no performance obligations or contract balances that are unsatisfied as of June 30, 2025 and 2024.

Balances relating to contracts with customers are as follows:

	Contract Balances	
	Receivables	Liabilities
July 1, 2023	\$ 470,662	\$ 398,855
June 30, 2024	257,835	472,430
June 30, 2025	108,121	477,005

*Functional Expenses* - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that are consistently applied. The expenses that are allocated include occupancy and depreciation, as well as salaries and related expenses, which are based on time and effort within each functional area. Postage and freight, printing and publications, and merchant fees are based on expenses tracked by account across functions. Supplies, office and computer expenses and telephone are based on staff usage.

*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 certain reported amounts and disclosures. Management regularly assesses these estimates and, while actual results may differ from these estimates, management believes that material changes will not occur in the near term.

*Income Taxes* - The Organization is exempt from federal income taxes under Internal Revenue Code section 501(c)(3). Contributions made to the Organization are qualified for the maximum tax deductions allowable under the United States Internal Revenue Code.

*Subsequent Events Measurement Date* - The Organization monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the fiscal year ended June 30, 2025 through November 12, 2025, the date on which the financial statements were available to be issued.

### NOTE 3 – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. SoundWaters has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing program activities as well as services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization anticipates collecting sufficient revenue from both unrestricted and restricted sources to cover general expenditures.

As of June 30, the Organization’s financial assets available to meet general expenditures over the next twelve months were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,845,016	\$ 2,652,150
Investments	3,020,774	2,442,379
Accounts receivable	108,121	257,835
Contributions receivable, current portion	309,369	670,691
	<u>6,283,280</u>	<u>6,023,055</u>
Less amounts not available to be used within twelve months:		
Endowment funds - board designated	(1,863,315)	(1,396,921)
Endowment funds - donor restricted	(1,236,094)	(1,142,766)
	<u>(3,099,409)</u>	<u>(2,539,687)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,183,871</u>	<u>\$ 3,483,368</u>

As part of the Organization’s liquidity management plan, SoundWaters invests cash in excess of daily requirements in short-term investments. Occasionally, the Board of Directors (“Board”) designates a portion of any operating surplus to operating reserve. This reserve, established by the Board, may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress. The Organization has access to a line of credit as well.

#### NOTE 4 – INVESTMENTS

Investments are maintained at major financial institutions and carried at fair value. They consisted of the following at June 30,:

	<u>2025</u>	<u>2024</u>
Equities	\$ -	\$ 178,835
Mutual funds	<u>3,020,774</u>	<u>2,263,544</u>
Total investments	<u>\$ 3,020,774</u>	<u>\$ 2,442,379</u>

Investment return is summarized as follows for the years ended June 30,:

Interest and dividend income, net	\$ 153,953	\$ 106,489
Net realized and unrealized gains	<u>207,051</u>	<u>170,069</u>
Total investment return	<u>\$ 361,004</u>	<u>\$ 276,558</u>

#### NOTE 5 – CONTRIBUTIONS RECEIVABLE

Contributions receivable represent promises to give payable from individuals and private organizations over periods of up to five years. Contributions receivable classified as a non-current asset are contributions expected to be received between one and five years. Contributions receivable due in more than one year are discounted at 6%. No allowance has been established for bad debt as of June 30, 2025 and 2024.

Unconditional contributions receivable are expected to be collected as follows at June 30,:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 309,369	\$ 670,691
Receivable in one to five years	<u>73,121</u>	<u>297,331</u>
	382,490	968,022
Less: discounts to net present value	<u>(16,699)</u>	<u>(19,732)</u>
Net contributions receivable	<u>\$ 365,791</u>	<u>\$ 948,290</u>

## NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30,:

	<u>2025</u>	<u>2024</u>
Building - Harbor Center	\$ 9,997,629	\$ 9,997,629
Leasehold improvements	2,330,401	2,321,042
Schooner <i>SoundWaters</i>	735,859	729,328
Small boats	372,590	398,594
Office equipment	417,243	403,347
Exhibits and displays	425,553	425,553
	<u>14,279,275</u>	<u>14,275,493</u>
Less: accumulated depreciation	<u>(3,523,380)</u>	<u>(3,149,789)</u>
Net property and equipment	<u>\$ 10,755,895</u>	<u>\$ 11,125,704</u>

## NOTE 7 – DONATED FUTURE USE OF PROPERTY

SoundWaters is a party to two long-term lease agreements with the City of Stamford (the “City”). One lease is for use of a section of land in John J. Boccuzzi Park in Stamford upon which the Organization built the Harbor Center, placed in service in November 2022. This lease, also for \$1 per year, runs from October 2019 for 50 years, terminating in 2069. The Organization uses this building for its Young Mariners and high school education programs, marine trade job training programs and some administrative offices.

The second lease is for a building in Cove Island Park. The building is on the National Historic Register and the lease with the City began in November 1998. SoundWaters renovated the building and will pay the City an annual minimum rent of \$1 for 30 years, until 2029, with a negotiated minimum rent for an additional 20 years thereafter. The Organization uses the building as the SoundWaters Coastal Education Center and most of its administrative offices.

Since the cost of the original renovations of the Cove Island building exceeded the fair rental value of the property over the term of the lease agreement, the Organization has not recorded any contribution income in connection with the use of the facility.

Management has determined the present value of the balance of the donated future use of the John J. Boccuzzi Park property to be the following at June 30,:

	<u>2025</u>	<u>2024</u>
Donated future use of property	\$ 851,626	\$ 869,650
Less: discount	<u>(569,864)</u>	<u>(586,834)</u>
Net donated future use of property	<u>\$ 281,762</u>	<u>\$ 282,816</u>

The amount was computed using a discount rate of 6% and is being amortized over the remaining life of the lease. Donated occupancy expense of \$18,024 was recognized for the years ended June 30, 2025 and 2024, respectively. A contribution of \$16,970 and \$17,031 was recognized for the years ended June 30, 2025 and 2024, respectively.

## NOTE 8 – LINES OF CREDIT

*Line of Credit* - SoundWaters maintains a \$375,000 line of credit with a bank at 8.50% at June 30, 2025 and 9.50% at June 30, 2024 (1% over the bank's prime lending rate). The line of credit is renewed annually and bears interest at 1% over the bank's prime lending rate, which is payable monthly. There were no amounts outstanding on the line at June 30, 2025 and 2024.

*Secured Loan* - In June 2021, the Organization entered into a loan agreement to make available a revolving line of credit (the "Secured Line"). The Secured Line is secured by investments held by the Organization without donor restrictions. The Organization may draw down up to fifty percent of assets held in the investment account. Interest, at a rate of 2% over the Secured Overnight Finance Rate (6.28% and 8.52% at June 30, 2025 and 2024, respectively), is payable monthly. There were no amounts outstanding on the note at June 30, 2025 and 2024.

## NOTE 9 – NET ASSETS

Net assets with donor restrictions were as follows as of June 30,:

	<u>2025</u>	<u>2024</u>
Unappropriated endowment funds	\$ 387,477	\$ 309,149
Endowment assets held in perpetuity	848,617	833,617
Total endowment	<u>1,236,094</u>	<u>1,142,766</u>
Purpose and time restricted net assets		
Donated use of property	281,762	282,816
Scholarship	384,226	384,226
Education	40,530	573,599
Other	<u>55,000</u>	<u>193,462</u>
Total net assets with donor restrictions	<u>\$ 1,997,612</u>	<u>\$ 2,576,869</u>

Net assets were released from restrictions by incurring expenses satisfying the following purposes or due to the passage of time were as follows for the years ended June 30,:

	<u>2025</u>	<u>2024</u>
Scholarship	\$ 50,000	\$ 45,979
Education	1,087,319	155,990
Donated use of property	18,024	18,024
Other	<u>138,462</u>	<u>11,538</u>
Total net assets released from restrictions	<u>\$ 1,293,805</u>	<u>\$ 231,531</u>

The Organization's Board has interpreted the State of Connecticut's Uniform Prudent Management of Institutional Funds Act ("CUPMIFA") 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, the Organization currently classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

**NOTE 9 – NET ASSETS (CONTINUED)**

In accordance with the CUPMIFA, the Organization 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 the Organization and the donor-restricted 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 the Organization, and
7. The investment policies of the Organization.

Investments are managed in accordance with the Organization’s Board-approved investment and spending policies. The primary investment objective is to preserve and enhance the assets by earning a competitive return from investment income without exposing the assets to undue long-term risk.

The endowment is comprised of the following at June 30,:

	<u>2025</u>	<u>2024</u>
Cash	\$ 78,635	\$ 97,308
Investments	<u>3,020,774</u>	<u>2,442,379</u>
 Total endowment	 <u>\$ 3,099,409</u>	 <u>\$ 2,539,687</u>

Changes in endowment net assets for the years ended June 30,:

	<u>Board Designated</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment, July 1, 2023	\$ 1,053,421	\$ 1,030,530	\$ 2,083,951
Investment income, net	37,706	22,961	60,667
Realized and unrealized gains/(losses)	105,794	64,275	170,069
Transfer	(25,000)	25,000	-
Additions	<u>225,000</u>	<u>-</u>	<u>225,000</u>
 Endowment, June 30, 2024	 1,396,921	 1,142,766	 2,539,687
Investment income, net	53,970	23,491	77,461
Realized and unrealized gains/(losses)	152,214	54,837	207,051
Additions	<u>260,210</u>	<u>15,000</u>	<u>275,210</u>
 Endowment, June 30, 2025	 <u>\$ 1,863,315</u>	 <u>\$ 1,236,094</u>	 <u>\$ 3,099,409</u>

The Organization’s donor-restricted endowment consists of \$833,617 as of June 30, 2025 and 2024, respectively, of donations that are intended to be held in perpetuity. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### **NOTE 10 – CONTRIBUTED NON-FINANCIAL ASSETS**

The Organization recognized contributed financial assets within revenue, including materials, equipment, services, and free use of facilities. The Organization was provided free use of facilities for office and dock space. The facilities are provided at no cost to the Organization. Based on current market rates for rental facilities the Organization would have paid \$20,700 in each year. In addition, utilities for the office space valued at \$36,000 in each year were donated. The Organization's policy related to small boats and equipment is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization 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. All non-financial assets received by the Organization for the years ended June 30, 2025 and 2024, except for the future use of donated property, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

#### **NOTE 11 – TAX DEFERRED ANNUITY PLAN**

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers substantially all employees. Employees may elect to have withholdings from wages up to the maximum allowable under the Internal Revenue Code. The Organization's contributions to the plan were \$29,306 and \$26,214 during the years ended June 30, 2025 and 2024, respectively.

#### **NOTE 12 – DEFERRED COMPENSATION PLAN**

Two deferred compensation plans were established in 2015 for the benefit of the President of the Organization. The first plan allows for an elective deferral by the employee. SoundWaters can but has not made a discretionary contribution to this plan. The balances in this plan are payable at time of employment termination.

The second plan is funded by SoundWaters and vests over a three-year period with distribution required immediately after. The next distribution will be in July 2025.

Contributions to the plans totaled \$17,247 and \$31,901 for the years ended June 30, 2025 and 2024, respectively, and plan assets totaling \$308,108 and \$253,436, respectively, are included on the statements of financial position along with a matching liability.

#### **NOTE 13 – EMPLOYEE RETENTION CREDIT INCOME**

Management determined that the Organization is eligible for the Employee Retention Credit ("ERC") under the Coronavirus Aid, Relief, and Economic Security Act of 2020, as modified by the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021. During the year ended June 30, 2025, SoundWaters, Inc. received tax credits as part of the ERC in the amount of \$164,989, which was recorded as income on the accompanying statement of activities for the year ended June 30, 2025.

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