

**AUDITED FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

MILLENNIUM WATER ALLIANCE

HOUSTON, TEXAS

September 30, 2019

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AUDITED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Millennium Water Alliance
Houston, Texas

Report on Financial Statements

We have audited the accompanying financial statements of Millennium Water Alliance, which comprise the statement of financial position as of September 30, 2019, 2018, and 2017, and the related statements of activities, and cash flows for each of the years in the three-year period ended September 30, 2019, 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 of 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 auditors consider internal control relevant to the Millennium Water Alliance's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Millennium Water Alliance'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 Millennium Water Alliance as of September 30, 2019, 2018, and 2017, and the changes in its net assets and its cash flows for each of the years in the three-year period ended September 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 10, 2020, on our consideration of Millennium Water Alliance'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 Millennium Water Alliance's internal control over financial reporting and compliance.

June 10, 2020

J. Ronald Martin, P.A.

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MILLENNIUM WATER ALLIANCE
STATEMENTS OF FINANCIAL POSITION

| | September 30, | | |
|---|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 |
| ASSETS | | | |
| Cash and equivalents, including refundable grant advances | \$ 2,509,082 | \$ 2,107,603 | \$ 1,892,924 |
| Grants receivable | 866,530 | 699,392 | 659,734 |
| Other receivables | 3,150 | 17,828 | 74,095 |
| Due from members | -0- | 2,000 | 15,000 |
| Prepaid expenses | 16,906 | 16,693 | 15,000 |
| Grant advances to subrecipients | 843,290 | 489,803 | 585,903 |
| Equipment | -0- | 5,317 | 5,317 |
| (Less) accumulated depreciation | -0- | (5,317) | (4,253) |
| | -0- | -0- | 1,064 |
| | <u>\$ 4,238,958</u> | <u>\$ 3,333,319</u> | <u>\$ 3,243,720</u> |
| LIABILITIES AND NET ASSETS | | | |
| Liabilities: | | | |
| Accounts payable | \$ 15,630 | \$ 37,645 | \$ 16,460 |
| Due to grant subrecipients | 1,768,756 | 1,287,365 | 2,214,482 |
| Refundable grant advances | 2,114,991 | 1,497,148 | 324,614 |
| Accrued expenses | 43,556 | 70,543 | 87,928 |
| Accrued payroll benefits | 6,818 | 12,464 | 8,313 |
| Due to members | 17,000 | -0- | -0- |
| Accrued payroll | 60,538 | 71,219 | 68,966 |
| | 4,027,289 | 2,976,384 | 2,720,763 |
| Net assets: | | | |
| Net assets without donor restrictions | 211,669 | 356,935 | 522,957 |
| | <u>\$ 4,238,958</u> | <u>\$ 3,333,319</u> | <u>\$ 3,243,720</u> |

See notes to financial statements.

MILLENNIUM WATER ALLIANCE

STATEMENTS OF ACTIVITIES

| | Year Ended September 30, | | |
|----------------------------------|--------------------------|-------------------|-------------------|
| | 2019 | 2018 | 2017 |
| SUPPORT AND OTHER REVENUE | | | |
| Federal awards | \$ 4,479,521 | \$ 4,644,587 | \$ 4,398,190 |
| Contributions: | | | |
| Foundations | 1,525,891 | 1,526,065 | 2,415,309 |
| Member dues and assessments | 142,000 | 127,000 | 149,000 |
| Interest income | <u>13,743</u> | <u>6,524</u> | <u>3,480</u> |
| | 6,161,155 | 6,304,176 | 6,965,979 |
| EXPENSES | | | |
| Program services | 5,572,418 | 5,657,836 | 6,172,095 |
| Supporting services | 728,766 | 809,414 | 808,314 |
| Fundraising | <u>5,238</u> | <u>2,948</u> | <u>225</u> |
| | <u>6,306,422</u> | <u>6,470,198</u> | <u>6,980,634</u> |
| CHANGE IN NET ASSETS | (145,267) | (166,022) | (14,655) |
| Net assets, beginning of year | <u>356,935</u> | <u>522,957</u> | <u>537,612</u> |
| NET ASSETS, END OF YEAR | <u>\$ 211,668</u> | <u>\$ 356,935</u> | <u>\$ 522,957</u> |

See notes to financial statements.

MILLENNIUM WATER ALLIANCE

STATEMENTS OF CASH FLOWS

| | Year Ended September 30, | | |
|--|--------------------------|---------------------|---------------------|
| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| OPERATING ACTIVITIES | | | |
| Change in net assets | \$ (145,267) | \$ (166,022) | \$ (14,655) |
| Adjustments to reconcile change in net assets to net change in cash by operating activities: | | | |
| Depreciation | -0- | 1,063 | 1,063 |
| Change in operating assets and liabilities: | | | |
| Grants receivable | (167,138) | (39,658) | (45,060) |
| Other receivables | 14,677 | 56,268 | (41,001) |
| Due from members | 2,000 | 13,000 | 5,643 |
| Prepaid expenses | (212) | (1,693) | 387 |
| Grant advances to subrecipients | (353,487) | 96,100 | (293,560) |
| Accounts payable | (22,013) | 21,185 | 16,460 |
| Due to grant subrecipients | 481,391 | (927,117) | 1,144,613 |
| Refundable grant advances | 617,843 | 1,172,534 | (1,649,442) |
| Accrued expenses | (26,988) | (17,385) | (79,720) |
| Accrued payroll benefits | (5,647) | 4,151 | 375 |
| Due to members | 17,000 | -0- | -0- |
| Accrued payroll | <u>(10,680)</u> | <u>2,253</u> | <u>11,601</u> |
| NET CHANGE IN CASH BY OPERATING ACTIVITIES | <u>401,479</u> | <u>214,679</u> | <u>(943,296)</u> |
| NET CHANGE IN CASH | <u>401,479</u> | <u>214,679</u> | <u>(943,296)</u> |
| Cash and equivalents at beginning of year | <u>2,107,603</u> | <u>1,892,924</u> | <u>2,836,220</u> |
| CASH AND EQUIVALENTS AT END OF YEAR | <u>\$ 2,509,082</u> | <u>\$ 2,107,603</u> | <u>\$ 1,892,924</u> |
| Composition of cash: | | | |
| Unrestricted | \$ 15,820 | \$ 256,653 | \$ 485,014 |
| Refundable grant advances | <u>2,493,262</u> | <u>1,850,950</u> | <u>1,407,910</u> |
| | <u>\$ 2,509,082</u> | <u>\$ 2,107,603</u> | <u>\$ 1,892,924</u> |
| Supplementary information: | | | |
| Interest paid | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| Income taxes paid | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

See notes to financial statements.

MILLENNIUM WATER ALLIANCE

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE A - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

1. Operations: Millennium Water Alliance (the "MWA") is a not-for-profit organization incorporated under the laws of the State of Texas on December 20, 2002, and is dedicated to providing clean water and sanitation worldwide.

The Millennium Water Alliance is comprised of the following member organizations: CARE USA, Catholic Relief Services, Food for the Hungry, IRC International Water and Sanitation Centre, Living Water International, Pure Water for the World, Inc, Water Aid America, Water for People, Water Missions International, World Vision International, Helvetas Swiss Intercooperation, Water4, The Desert Research Institute and UC Mortenson Center in Global Engineering.

The MWA operates as an umbrella organization providing institutional synergy to ensure technical excellence, programmatic innovation, and long-term financial, social and environmental sustainability in water resources management to its board members. The MWA is governed by a board of directors whose qualifications include the requirement that each be a director or employee of a member organization.

A significant portion of the MWA's support is from the United States Agency for International Development, Hilton Foundation and Swiss Development Cooperation. The MWA has programs in Ethiopia and Kenya.

2. Cash and Equivalents: For purposes of the statement of cash flows, which is prepared using the indirect method, the MWA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents having immediate availability.
3. Financial Statement Presentation: The financial statements of the MWA are prepared on the accrual basis. The significant accounting policies followed by the MWA are described below to enhance the usefulness of the financial statements to the reader.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Department is required to report information regarding its financial position and activities in two classes of net assets:

- (c) Net assets without donor restrictions are not subject to donor-imposed stipulations and are available for use as designated by the Board of Directors, including current operating expenses.
- (d) Net assets with donor restrictions are subject to donor-imposed restrictions that can be satisfied by actions of the MWA, that expire by the passage of time, or that neither expire by the passage of time nor can be fulfilled or otherwise removed by the actions of the MWA. When a restriction expires, or upon satisfaction of the donor imposed restriction, net assets are reclassified as unrestricted. Contributions restricted by donors whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Grant Agreements: Federal grants received under cooperative agreements and non-federal grants, except as noted, are cost reimbursement grants due to the nature of their conditional terms. Receivables and support are recognized when reimbursable costs have been incurred for goods and services provided, which approximates the percentage of work completion.
5. Promises Receivable: Unconditional promises receivable are recognized as support in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Conditional promises receivable are recognized when the conditions on which they depend are substantially met. Promises receivable deemed uncollectible are reserved and/or written off, as appropriate.
6. Property and Equipment: Additions are recorded at cost if purchased and appraised value at the time of donation, if received as a gift. Minor renewals and replacements are expensed. When property and equipment are retired, their costs and related allowances for depreciation are removed from the accounts. Any gains or losses are recognized in the statement of activities.
7. Income Taxes: The MWA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The MWA is not a private foundation within the meaning of the Internal Revenue Code because the MWA is described in sections 509(a)(1) and 170(b)(1)(A)(vi). Such Internal Revenue Service determination was received in September 2003 and confirmed in March 2007. The income tax returns of the MWA for 2018, 2017, and 2016 remain open for examination by the Internal Revenue Service. All other tax years have been closed by statute.
8. Donated Materials and Services: Donated materials and equipment, when significant, are reflected as contributions at estimated fair value at date of receipt. Donated services, when significant and measurable as to value, are reflected as contributions when provided. Volunteers, including officers and directors of the MWA, donate their time in program, support and fund raising. However, no amounts have been reflected in the financial statements for these services as they do not meet the criteria for recognition.
9. Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Functionalization of Expenses: Expenses not associated with a specific functional classification are allocated among the various classifications based upon management's estimate of how such costs were utilized.
11. Web-site Development and Maintenance: The MWA accounts for web-site development and maintenance in accordance with generally accepted accounting principles, which provides guidance regarding when software developed or obtained for internal use should be capitalized, and requires certain costs incurred during the development stage to be capitalized, while costs incurred during the preliminary project stage and post implementation/operation stage should be expensed as incurred.
12. Accrued Compensated Absences: The MWA accrues for compensated absences (holiday, vacation, sick and bereavement leave).
13. Fair Value Measurements: Generally accepted accounting principles ("GAAP") defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value, as defined under GAAP, is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. MWA utilizes market data or assumptions that market participants would use in pricing the asset or liability. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: **Level 1**, defined as observable inputs such as quoted prices in active markets; **Level 2**, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and **Level 3**, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

NOTE B - RELATED PARTIES

The MWA is an umbrella organization providing services to its members that may include transactions between the MWA and its members. The MWA's members implement the MWA's programs; thus, they receive the "Subrecipient grant expenditures" reported in functional expenditures (See Note K). The members pay an initial and annual membership dues and assessments to the MWA, which are determined by the Board of Directors.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C - PROGRAMS

The MWA's ongoing programs are as follows:

| | September 30, | | |
|----------------------------|----------------------|---------------------|----------------------|
| | 2019 | 2018 | 2017 |
| Unexpended program grants: | | | |
| Obligated funds | \$ 10,302,317 | \$ 8,434,097 | \$ 10,755,972 |
| Unobligated funds | <u>-0-</u> | <u>961,000</u> | <u>3,720,262</u> |
| | <u>\$ 10,302,317</u> | <u>\$ 9,395,097</u> | <u>\$ 14,476,234</u> |

Unobligated funds relate to grants with donor approved budgets in excess of the grantee's obligated funding for the budget. In September 2015 an award of \$12,500,000 from USAID and in August 2016 an award of \$7,500,000 from Swiss Development Corporation (SDC) were approved for a 5 year Kenya RAPID Program ending in September 2020. An award for \$7,500,000 from Hilton Foundation for MWA Ethiopia program was approved in March 2019.

NOTE D - NET ASSETS

There were no net assets with donor restrictions at September 30, 2019, 2018 or 2017.

NOTE E - CONCENTRATIONS

The MWA places its cash with a financial institution which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. MWA maintains cash balances in excess of the \$250,000 insured limit with this financial institution.

A significant portion of the MWA's support comes from a limited number of grantors.

NOTE F - RISKS AND CONTINGENCIES

The MWA participates in federal and non-federal grant programs, the expenditures for which are subject to audit from the respective funding agency. Upon examination, expenditures could be disallowed and refunds required. The MWA has not been notified that any such audits are forthcoming, and is not aware of any expenditures for which such disallowances or refunds would be required by funding agencies.

The MWA receives a substantial portion of its operating funds from a limited number of grants and awards. Curtailment or cancellation of awards from these sources would have a significant effect on the future operations of the MWA and its ability to continue as a going concern.

In order for the MWA to maintain its current 501(c)(3) status as a public charity, it must continue to maintain a specified level of public support. Failure to achieve broad public support could result in the MWA being reclassified by the Internal Revenue Service as a private foundation.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – RETIREMENT PLAN

Under the joint employer arrangement with Total Human Resources, Inc., MWA employees are covered under a defined contribution pension plan of Total Human Resources. The plan covers substantially all employees over twenty-one years of age from date of employment. The MWA makes contributions based upon a percentage of salary and employees may make additional contributions. Vesting in the MWA contributions is based upon years of continuous service with 100% after three years of service.

Retirement expense was \$28,858, \$30,484, and \$28,226 for each of the years ended September 30, 2019, 2018, and 2017, respectively.

NOTE H – CONTRACTED PERSONNEL

MWA has an agreement with Total Human Resources, Inc. to furnish contract personnel and personnel services to the MWA under a joint employer arrangement.

NOTE I – LEASE COMMITMENT

MWA renewed the lease for office space beginning December 1, 2017, at \$7,801 per month for the first year and increases annually for cost of living adjustments. The lease is from December 1, 2017 to January 31, 2023. The lease expense for 2019 was \$96,263. Future minimum annual lease payments for the operating lease are as follows:

| <u>Year Ending September 30</u> | <u>Total</u> |
|---------------------------------|-------------------|
| 2020 | \$ 98,391 |
| 2021 | 101,096 |
| 2022 | 103,876 |
| 2023 | <u>34,781</u> |
| | <u>\$ 338,144</u> |

NOTE J – SUBSEQUENT EVENT

MWA has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE K – FUNCTIONAL EXPENSES

| | Year Ended September 30, | | | | | | | | | | | |
|---------------------------------|--------------------------|-------------------|-----------------|---------------------|---------------------|-------------------|-----------------|---------------------|---------------------|-------------------|---------------|---------------------|
| | 2019 | | | | 2018 | | | | 2017 | | | |
| | Program | Support | Fundraising | Total | Program | Support | Fundraising | Totals | Program | Support | Fundraising | Totals |
| Subrecipient grant expenditures | \$ 5,016,049 | \$ -0- | \$ -0- | \$ 5,016,049 | \$ 4,973,397 | \$ -0- | \$ -0- | \$ 4,973,397 | \$ 5,585,685 | \$ -0- | \$ -0- | \$ 5,585,685 |
| Salaries and benefits | 315,408 | 490,595 | 4,561 | 810,564 | 323,078 | 535,778 | 2,639 | 861,495 | 331,447 | 588,722 | 200 | 920,369 |
| Contract labor | 128,035 | 71,774 | | 199,809 | 216,670 | 41,263 | | 257,933 | 116,894 | 36,320 | | 153,214 |
| Travel | 45,816 | 37,680 | 25 | 83,521 | 69,575 | 27,936 | 82 | 97,593 | 57,046 | 24,275 | | 81,321 |
| Professional fees | 22,977 | 25,510 | | 48,487 | 34,117 | 18,817 | | 52,934 | 22,803 | 19,964 | | 42,767 |
| Conferences and meetings | 7,208 | 12,941 | | 20,149 | 8,938 | 14,782 | | 23,720 | 19,256 | 16,955 | | 36,211 |
| Insurance | | 8,502 | | 8,502 | -0- | 8,461 | | 8,461 | | 8,028 | | 8,028 |
| Rent | 32,849 | 62,791 | 623 | 96,263 | 21,147 | 54,410 | 217 | 75,774 | 23,752 | 59,353 | 22 | 83,127 |
| Publicity | | | | | | 799 | | 799 | | | | -0- |
| Communications | 1,734 | 7,740 | 29 | 9,503 | 2,047 | 11,179 | 10 | 13,236 | 4,399 | 11,368 | 3 | 15,770 |
| Miscellaneous | 1,425 | 7,320 | | 8,745 | 5,138 | 18,756 | | 23,894 | 3,692 | 22,193 | | 25,885 |
| Supplies and printing | 494 | 2,706 | | 3,200 | 33 | 13,761 | | 13,794 | 7,020 | 18,918 | | 25,938 |
| Website | | 635 | | 635 | | 1,493 | | 1,493 | | 778 | | 778 |
| Postage and shipping | 423 | 572 | | 995 | 3,696 | 716 | | 4,412 | 101 | 377 | | 478 |
| Depreciation | | | | | | 1,063 | | 1,063 | | 1,063 | | 1,063 |
| Staff development | | | | | | 200 | | 200 | | | | -0- |
| Contributions/Donations | | | | | | 60,000 | | 60,000 | | | | -0- |
| | <u>\$ 5,572,418</u> | <u>\$ 728,766</u> | <u>\$ 5,238</u> | <u>\$ 6,306,422</u> | <u>\$ 5,657,836</u> | <u>\$ 809,414</u> | <u>\$ 2,948</u> | <u>\$ 6,470,198</u> | <u>\$ 6,172,095</u> | <u>\$ 808,314</u> | <u>\$ 225</u> | <u>\$ 6,980,634</u> |

In 2019, \$105,766 in expenses not specific to a functional classification were allocated to Program (33%), Support (66%), and Fundraising (1%) based on management's estimate of how such expenses were utilized.

In 2018, \$89,010 in expenses not specific to a functional classification were allocated to Program (26%), Support (74%), and Fundraising (0%) based on management's estimate of how such expenses were utilized.

In 2017, \$98,898 in expenses not specific to a functional classification were allocated to Program (39%), Support (61%), and Fundraising (0%) based on management's estimate of how such expenses were utilized.

SUPPLEMENTARY INFORMATION

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CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

Millennium Water Alliance
Houston, Texas

We have audited the financial statements of Millennium Water Alliance as of and for the years ended September 30, 2019, 2018, and 2017, and have issued our report thereon dated June 10, 2020, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of Computation of Indirect Rate in Accordance with the Uniform Guidance and Computation of Fringe Rate in Accordance with the Uniform Guidance Applicable to Federal Grants and Contracts 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.

June 10, 2020

J. Ronald Martin, P.A.

MILLENNIUM WATER ALLIANCE

COMPUTATION OF INDIRECT RATE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Year Ended September 30, 2019

Breakdown of Functional Expenses to show Indirect Expenses Separately

| Program | Fund-Raising | Unallowable Indirect ② | Allowable Indirect | Grand Total |
|--|---------------------|------------------------|--------------------|---------------------|
| Subrecipient grant expenditures | \$ 5,016,049 | \$ -0- | \$ -0- | \$ 5,016,049 |
| Salaries and benefits | 315,408 | 4,561 | 99,378 | 810,563 |
| Contract labor | 128,035 | | 71,774 | 199,809 |
| Travel | 45,816 | 25 | 37,351 | 83,522 |
| Professional fees | 22,977 | | 25,510 | 48,487 |
| Conferences and meetings | 7,208 | | 12,941 | 20,149 |
| Insurance | | | 8,502 | 8,502 |
| Rent | 32,849 | 623 | 50,150 | 96,263 |
| Communications | 1,734 | 29 | 7,160 | 9,503 |
| Miscellaneous | 1,425 | | 7,320 | 8,745 |
| Supplies and printing | 494 | | 2,706 | 3,200 |
| Website | | | 635 | 635 |
| Postage and shipping | 423 | | 572 | 995 |
| Depreciation | | | | |
| Contributions | | | | |
| | <u>5,572,418</u> | <u>5,238</u> | <u>112,929</u> | <u>6,306,422</u> |
| Allocation of Allowable Indirect Costs | <u>603,049</u> | <u>567</u> | <u>12,221</u> | <u>(615,837)</u> |
| | <u>\$ 6,175,467</u> | <u>\$ 5,805</u> | <u>\$ 125,150</u> | <u>\$ -0-</u> |
| | | | <u>\$ -0-</u> | <u>\$ 6,306,422</u> |

COMPUTATION OF INDIRECT COST RATE

| | |
|---------------------------|---------------------|
| Indirect expenses - Gross | \$ 615,837 |
| Grant Support Credit ① | <u>-0-</u> |
| | <u>\$ 615,837</u> |
| Distribution Base | |
| Program expenses | \$5,572,418 |
| Fundraising | 5,238 |
| Unallowable indirect ② | <u>112,929</u> |
| | <u>\$ 5,690,585</u> |

Indirect Cost Rate % 10.82%

① Allowable indirect cost reimbursed from a grant.

② Includes expenses such as lobbying, public relations, advocacy, and bad debts.

MILLENNIUM WATER ALLIANCE

COMPUTATION OF FRINGE RATE IN ACCORDANCE WITH THE UNIFORM
GUIDANCE APPLICABLE TO FEDERAL GRANTS AND CONTRACTS

Year Ended September 30, 2019

| | |
|--|-------------------|
| BENEFITS POOL EXPENSE | |
| FUTA, SUTA, Soc. Sec. & PEO Fees | \$ 62,730 |
| Workers compensation insurance | 6,924 |
| Health insurance | 69,314 |
| 401(k) contribution | 28,858 |
| Paid leave and holidays | 69,577 |
| Life Insurance/LTD/STD | <u>9,373</u> |
| Total Benefit Pool Expense | <u>\$ 246,776</u> |
| ALLOCATION BASE | |
| Salaries, less paid leave and holidays | <u>\$ 473,649</u> |
| FRINGE RATE | <u>52.10%</u> |