

**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, 2020, 2019, and 2018, and the related statements of activities, and cash flows for each of the years in the three-year period ended September 30, 2020, 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, 2020, 2019, and 2018, and the changes in its net assets and its cash flows for each of the years in the three-year period ended September 30, 2020, 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 August 31, 2021, 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.

August 31, 2021

J. Ronald Martin, P.A.

MILLENNIUM WATER ALLIANCE
STATEMENTS OF FINANCIAL POSITION

	September 30,		
	2020	2019	2018
ASSETS			
Cash and equivalents, including refundable grant advances	\$ 1,110,342	\$ 2,509,082	\$ 2,107,603
Grants receivable	914,744	866,530	699,392
Other receivables	-0-	3,150	17,828
Due from members	-0-	-0-	2,000
Prepaid expenses	4,928	16,906	16,693
Grant advances to subrecipients	863,354	843,290	489,803
Equipment	-0-	-0-	5,317
(Less) accumulated depreciation	-0-	-0-	(5,317)
	-0-	-0-	-0-
	<u>\$ 2,893,368</u>	<u>\$ 4,238,958</u>	<u>\$ 3,333,319</u>
 LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	\$ 12,984	\$ 15,630	\$ 37,645
Due to grant subrecipients	972,847	1,768,756	1,287,365
Refundable grant advances	1,330,773	2,114,991	1,497,148
Accrued expenses	216,903	43,556	70,543
Accrued payroll benefits	8,552	6,818	12,464
Due to members	-0-	17,000	-0-
Accrued payroll	54,367	60,538	71,219
Deferred membership dues	73,500	-0-	-0-
Advance payable	15,000	-0-	-0-
SBA EIDL payable	25,000	-0-	-0-
Paycheck Protection Program (PPP) Loan	115,500	-0-	-0-
	2,825,426	4,027,289	2,976,384
 Net assets:			
Net assets without donor restrictions	67,942	211,669	356,935
	<u>\$ 2,893,368</u>	<u>\$ 4,238,958</u>	<u>\$ 3,333,319</u>

See notes to financial statements.

MILLENNIUM WATER ALLIANCE

STATEMENTS OF ACTIVITIES

	Year Ended September 30,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
SUPPORT AND OTHER REVENUE			
Federal awards	\$ 3,119,303	\$ 4,479,521	\$ 4,644,587
Contributions:			
Foundations	1,726,035	1,525,891	1,526,065
Member dues and assessments	175,500	142,000	127,000
Interest income	<u>4,956</u>	<u>13,744</u>	<u>6,524</u>
	5,025,794	6,161,156	6,304,176
EXPENSES			
Program services	4,595,969	5,572,418	5,657,836
Supporting services	570,700	728,766	809,414
Fundraising	<u>2,852</u>	<u>5,238</u>	<u>2,948</u>
	<u>5,169,521</u>	<u>6,306,422</u>	<u>6,470,198</u>
CHANGE IN NET ASSETS	(143,727)	(145,266)	(166,022)
Net assets, beginning of year	<u>211,669</u>	<u>356,935</u>	<u>522,957</u>
NET ASSETS, END OF YEAR	<u>\$ 67,942</u>	<u>\$ 211,669</u>	<u>\$ 356,935</u>

See notes to financial statements.

MILLENNIUM WATER ALLIANCE

STATEMENTS OF CASH FLOWS

	Year Ended September 30,		
	2020	2019	2018
OPERATING ACTIVITIES			
Change in net assets	\$ (143,727)	\$ (145,266)	\$ (166,022)
Adjustments to reconcile change in net assets to net change in cash by operating activities:			
Depreciation	-0-	-0-	1,063
Change in operating assets and liabilities:			
Grants receivable	(48,214)	(167,138)	(39,658)
Other receivables	3,150	14,678	56,268
Due from members	-0-	2,000	13,000
Prepaid expenses	11,978	(213)	(1,693)
Grant advances to subrecipients	(20,064)	(353,487)	96,100
Accounts payable	(2,646)	(22,015)	21,185
Due to grant subrecipients	(795,909)	481,391	(927,117)
Refundable grant advances	(784,218)	617,843	1,172,534
Accrued expenses	173,347	(26,987)	(17,385)
Accrued payroll benefits	1,734	(5,646)	4,151
Due to members	(17,000)	17,000	-0-
Accrued payroll	(6,171)	(10,681)	2,253
Deferred membership dues	73,500	-0-	-0-
Advance payable	15,000	-0-	-0-
SBA EIDL payable	<u>25,000</u>	<u>-0-</u>	<u>-0-</u>
NET CHANGE IN CASH BY OPERATING ACTIVITIES	(1,514,240)	401,479	214,679
FINANCING ACTIVITIES			
Proceeds from PPP Loan	<u>115,500</u>	<u>-0-</u>	<u>-0-</u>
NET CHANGE IN CASH	<u>(1,398,740)</u>	<u>401,479</u>	<u>214,679</u>
Cash and equivalents at beginning of year	<u>2,509,082</u>	<u>2,107,603</u>	<u>1,892,924</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 1,110,342</u>	<u>\$ 2,509,082</u>	<u>\$ 2,107,603</u>

Continued on page 8.

MILLENNIUM WATER ALLIANCE

STATEMENTS OF CASH FLOWS – CONTINUED

	Year Ended September 30,		
	2020	2019	2018
Composition of cash:			
Unrestricted	\$ 103,560	\$ 15,820	\$ 256,653
Refundable grant advances	<u>1,006,782</u>	<u>2,493,262</u>	<u>1,850,950</u>
	<u>\$ 1,110,342</u>	<u>\$ 2,509,082</u>	<u>\$ 2,107,603</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, 2020

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.

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 and 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 determination was received in September 2003 and confirmed in March 2007. The income tax returns of the MWA for 2019, 2018, and 2017 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. The members pay an initial and annual membership dues and assessments to the MWA, which are determined by the Board of Directors.

NOTE C – 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE D - PROGRAMS

The MWA’s ongoing programs are as follows:

	September 30,		
	2020	2019	2018
Unexpended program grants:			
Obligated funds	\$ 7,341,352	\$ 10,302,317	\$ 8,434,097
Unobligated funds	<u>-0-</u>	<u>-0-</u>	<u>961,000</u>
	<u>\$ 7,341,352</u>	<u>\$ 10,302,317</u>	<u>\$ 9,395,097</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 five 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 E - NET ASSETS

There were no net assets with donor restrictions at September 30, 2020, 2019 or 2018.

NOTE F - 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 G - 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 H – 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 \$27,677, \$28,858, and \$30,484 for each of the years ended September 30, 2020, 2019, and 2018, respectively.

NOTE I – LEASE COMMITMENT

MWA renewed the lease for office space on August 1, 2020 at \$1,223 per month for a period of five months and renewed at \$349 per month for six months February to July 2021. The lease expense for 2020 was \$91,374. Future minimum annual lease payments for the operating lease are as follows:

<u>Year Ending September 30</u>	<u>Total</u>
2021	<u>\$ 6,986</u>

NOTE J - NOTES PAYABLE

The MWA received a loan in the amount of \$115,500 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 21, 2020 and was forgiven in full after year end based on eligible expenditures described in the CARES Act.

The MWA also received a loan in the amount of \$25,000 under the SBA Section 7(b) of the Small Business Act. The loan is subject to a note dated June 26, 2020 and is payable in monthly installments of \$107 at a rate of 2.75% beginning twelve months after the date of the note and the balance is due thirty years from the date of the promissory note.

NOTE K – 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 L - FAIR VALUE OF FINANCIAL MEASUREMENTS

FASB Codification defines fair value, establishes a framework for measuring fair value as generally accepted accounting principles (“GAAP”), and expands financial statement disclosures about fair value measurements for financial assets and liabilities.

Financial assets are cash, evidence of an ownership interest in an entity, or a contract that conveys to one entity a right (1) to receive cash or another financial instrument from a second entity or (2) to exchange other financial instruments on potentially favorable terms with the second entity.

Financial liabilities are contracts that impose on one entity an obligation (1) to deliver cash or another financial instrument to a second entity or (2) to exchange other financial instruments on potentially unfavorable terms with the second entity.

The following table sets forth by level within the fair value hierarchy the Organization’s financial assets and liabilities accounted for at fair value on a recurring basis. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization’s assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

FINANCIAL ASSETS AND LIABILITIES:

Recurring Basis:

Description	September 30, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Notes payable	\$ 140,500		\$ 140,500	

The Organization does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 3, and there were no transfers in or out of Level 1, 2, or 3 during the year ended September 30, 2020.

There were no changes during the year ended September 30, 2020 to the Organization’s valuation techniques used to measure asset and liability fair values on a recurring basis.

Nonrecurring Basis:

The Organization does not have any financial assets or liabilities measured on a non-recurring basis for the year ended September 30, 2020.

Non-Financial Assets and Liabilities:

The Organization does not have any non-financial assets or liabilities measured on a recurring or nonrecurring basis for the year ended September 30, 2020.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE M – FUNCTIONAL EXPENSES

	Year Ended September 30,											
	2020				2019				2018			
	Program	Support	Fundraising	Total	Program	Support	Fundraising	Totals	Program	Support	Fundraising	Totals
Subrecipient grant expenditures	\$ 3,885,166	\$ -0-	\$ -0-	\$ 3,885,166	\$ 5,016,049	\$ -0-	\$ -0-	\$ 5,016,049	\$ 4,973,397	\$ -0-	\$ -0-	\$ 4,973,397
Salaries and benefits	254,828	432,713	2,424	689,965	315,408	490,595	4,561	810,564	323,078	535,778	2,639	861,495
Contract labor	395,221	28,183		423,404	128,035	71,774		199,809	216,670	41,263		257,933
Travel	12,991	6,370	32	19,395	45,816	37,680	25	83,521	69,575	27,936	82	97,593
Professional fees	11,790	20,246		32,036	22,977	25,510		48,487	34,117	18,817		52,934
Conferences and meetings	600	2,644		3,244	7,208	12,941		20,149	8,938	14,782		23,720
Insurance		8,757		8,757		8,502		8,502	-0-	8,461		8,461
Rent	33,133	57,859	383	91,375	32,849	62,791	623	96,263	21,147	54,410	217	75,774
Publicity				-0-				-0-		799		799
Communications	1,466	8,368	13	9,847	1,734	7,740	29	9,503	2,047	11,179	10	13,236
Miscellaneous	407	3,488		3,895	1,425	7,320		8,745	5,138	18,756		23,894
Supplies and printing	224	735		957	494	2,706		3,200	33	13,761		13,794
Website		1,205		1,205		635		635		1,493		1,493
Postage and shipping	143	132		275	423	572		995	3,696	716		4,412
Depreciation				-0-				-0-		1,063		1,063
Staff development				-0-				-0-		200		200
Contributions/Donations				-0-				-0-		60,000		60,000
	<u>\$ 4,595,969</u>	<u>\$ 570,700</u>	<u>\$ 2,852</u>	<u>\$ 5,169,521</u>	<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>

In 2020, \$101,222 in expenses not specific to a functional classification were allocated to Program (34%), Support (50%), and Fundraising (16%) based on management's estimate of how such expenses were utilized.

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.

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, 2020, 2019, and 2018, and have issued our report thereon dated August 31, 2021, 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.

August 31, 2021

J. Ronald Martin, P.A.

MILLENNIUM WATER ALLIANCE

COMPUTATION OF INDIRECT RATE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Year Ended September 30, 2020

Breakdown of Functional Expenses to show Indirect Expenses Separately

Program	Fund-Raising	Unallowable Indirect ②	Allowable Indirect	Grand Total
Subrecipient grant expenditures	\$ 3,885,166	\$ -0-	\$ -0-	\$ 3,885,166
Salaries and benefits	254,828	2,424	91,843	689,965
Contract labor	395,221		28,183	423,404
Travel	12,991	32	6,278	19,395
Professional fees	11,790		20,246	32,036
Conferences and meetings	600		1,384	1,984
Insurance			8,757	8,757
Rent	33,133	383	42,626	91,375
Communications	1,466	13	7,930	9,847
Miscellaneous	407		3,488	5,155
Supplies and printing	224	3	732	957
Website			1,205	1,205
Postage and shipping	143		132	275
Depreciation				
Contributions				
	<u>4,595,969</u>	<u>2,852</u>	<u>108,869</u>	<u>5,169,521</u>
Allocation of Allowable Indirect Costs	<u>450,871</u>	<u>280</u>	<u>10,680</u>	<u>-0-</u>
	<u>\$ 5,046,840</u>	<u>\$ 3,132</u>	<u>\$ 119,549</u>	<u>\$ 5,169,521</u>

COMPUTATION OF INDIRECT COST RATE

Indirect expenses -		
Gross	\$ 461,831	
Grant Support Credit ①	<u>-0-</u>	<u>\$ 461,831</u>
Distribution Base		
Program expenses	\$ 4,595,969	
Fundraising	2,852	
Unallowable indirect ②	<u>108,869</u>	<u>\$ 4,707,690</u>
Indirect Cost Rate %		<u>9.81%</u>

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, 2020

BENEFITS POOL EXPENSE	
FUTA, SUTA, Soc. Sec. & PEO Fees	\$ 65,004
Workers compensation insurance	7,127
Health insurance	71,304
401(k) contribution	27,677
Paid leave and holidays	72,034
Life Insurance/LTD/STD	<u>9,738</u>
Total Benefit Pool Expense	<u>\$ 252,884</u>
ALLOCATION BASE	
Salaries, less paid leave and holidays	<u>\$ 491,492</u>
FRINGE RATE	<u>51.4523%</u>