MILLENNIUM WATER ALLIANCE

INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTAL INFORMATION

SEPTEMBER 30, 2024

MILLENNIUM WATER ALLIANCE

REPORT OF AUDIT

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SECTION 1

MILLENNIUM WATER ALLIANCE

INDEPENDENT AUDITOR'S REPORT AND SUPPLEMENTAL INFORMATION

(SINGLE AUDIT)

SEPTEMBER 30, 2024

MILLENNIUM WATER ALLIANCE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Millennium Water Alliance
Houston, Texas

Opinion

We have audited the accompanying consolidated financial statements of Millennium Water Alliance (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expense, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Millennium Water Alliance as of September 30, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Millennium Water Alliance 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 consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Millennium Water Alliance 's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 consolidated 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 Millennium Water Alliance'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Millennium Water Alliance'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and supplemental schedule of financial responsibility data, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Directors
Millennium Water Alliance
Houston, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Millennium Water Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Millennium Water Alliance's internal control over financial reporting and compliance.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
June 30, 2025

MILLENNIUM WATER ALLIANCE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2024

ASSETS

	2024
Assets	
Cash and cash equivalents	$ 4,874,821
Employee receivable	7,716
Prepaid expenses and other assets	51,131
Grant advances to subrecipients	352,441
Total assets	$ 5,286,109

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	$ 126,263
Due to grant subrecipients	1,609,136
Refundable grant advances	2,861,013
Deferred membership dues	88,000
SBA EIDL payable	25,000
Total liabilities	4,709,412
Net Assets	
Without donor restrictions	(108,303)
With donor restrictions	685,000
Total net assets	576,697
Total liabilities and net assets	$ 5,286,109

MILLENNIUM WATER ALLIANCE

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2024

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Support and Other Revenues			
Foreign government awards	$ 1,794,633	$ -	$1,794,633
Federal awards	1,391,475	-	1,391,475
Contributions	1,939,247	685,000	2,624,247
Member dues and assessments	208,470	-	208,470
Interest income	1,896	-	1,896
Net assets released from restrictions	239,517	(239,517)	-
Total support and other revenue	5,575,238	445,483	6,020,721
Expenses			
Program services	4,996,228	-	4,996,228
Supporting services	559,604	-	559,604
Fundraising	1,183	-	1,183
Total expenses	5,557,015	-	5,557,015
Excess of revenue over expenses	18,223	445,483	463,706
Other Changes			
Loss on foreign currency translation	(89,468)	-	(89,468)
Change in net assets	(71,245)	445,483	374,238
Net Assets			
Beginning of year	(37,058)	239,517	202,459
End of year	$ (108,303)	$ 685,000	$ 576,697

MILLENNIUM WATER ALLIANCE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2024

	Year Ended September 30, 2024			
	Program	**Support**	**Fundraising**	**Total**
Subrecipient grant expenditures	$ 2,648,180	$ -	$ -	$ 2,648,180
Salaries and benefits	1,244,096	356,685	1,183	1,601,964
Contract labor	248,755	-	-	248,755
Travel	248,045	42,505	-	290,550
Professional fees	-	82,280		82,280
Conferences and meetings	92,309	27,171	-	119,480
Insurance	2,320	11,731	-	14,051
Rent	91,341	13,656	-	104,997
Communications	16,385	9,615	-	26,000
Miscellaneous	278,997	6,285	-	285,282
Supplies and printing	125,800	6,354	-	132,154
Website	-	746	-	746
Postage and shipping	-	292	-	292
Professional organization dues	-	1,000	-	1,000
Interest	-	1,284	-	1,284
	$ 4,996,228	$ 559,604	$ 1,183	$ 5,557,015

MILLENNIUM WATER ALLIANCE

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended September 30, 2024

	2024
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 374,238
Adjustments to reconcile change in net assets to net change in cash by operating activities:	
Change in operating assets and liabilities:	
Other receivables	420,000
Employee receivable	1,507
Prepaid expenses	(45,978)
Grant advances to subrecipients	(18,689)
Accounts payable and accrued expenses	45,313
Due to grant subrecipients	412,260
Refundable grant advances	464,190
Deferred membership dues	3,505
Net cash provided by operating activities	1,656,346
Net change in cash and cash equivalents	1,656,346
CASH AND CASH EQUIVALENTS	
Beginning of year	3,218,475
End of Year	$ 4,874,821
SUPPLEMENTAL INFORMATION	
Interest paid	$ 1,284

(1) ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

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 MWA is comprised of the following member organizations: Acacia Water, CARE USA, Catholic Relief Services, CAWST, Chemonics International, Eastern Congo Initiative, Engineers Without Borders, Evidence Action, Food for the Hungry, Global Water Center, Helvetas Swiss Inter-cooperation, IRC International Water and Sanitation Centre, LifeStraw, Living Water International, PATH International, UC Mortenson Center in Global Engineering, RTI, Splash International, The Water Project, Vita Impact, Water Aid America, Water Missions International, World Vision International, The Desert Research Institute and Global Water Institute, Save the Children, Splash and World Resource Institute.

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, Swiss Development Cooperation and the Coca Cola Foundation.

The financial statement includes all assets, liabilities, revenues, and expenses for Millenium Water Alliance and Millennium Water Alliance – Kenya, a separately incorporated controlled organization.

BASIS OF ACCOUNTING

The financial statements are presented on the accrual basis of accounting whereby revenue is recognized when earned, unconditional support is recognized when received, and expenses are recognized as incurred.

PRINCIPLES OF CONSOLIDATION

This report presents the consolidated financial position, changes in net assets, cash flows, and functional expenses of Millenium Water Alliance and Millennium Water Alliance - Kenya. Significant transactions and balances between the organizations have been eliminated for consolidated financial statement purposes.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND EQUIVALENTS

MWA considers all cash and other highly liquid instruments with initial maturities of three months or less to be cash equivalents.

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.

CONCENTRATION OF CREDIT RISK

MWA occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ***("ASC")*** 825, ***"Financial Instruments"***, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

MWA had approximately $450,000 of cash and cash equivalents held in foreign banking institutions as of September 30, 2024 which are not insured.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities for MWA's Ethiopia and Kenya offices are translated at the rate of exchange at the balance sheet date while activities accounts are translated at the average exchange rates in effect during the period.

NET ASSETS

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of MWA are classified and reported as follows:

> ***Without donor restrictions –*** Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of MWA.
>
> ***With donor restrictions –*** Net assets subject to donor-imposed restrictions that will be met either by actions of MWA or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Expirations of restrictions of net assets with donor restrictions are reported as net assets released from restriction.

INCOME TAX STATUS

MWA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the ***"Code"***), and has been classified as an organization, which is not a private foundation under Section 509(a) of the Code.

Management has reviewed the tax positions for each of the open tax years (years ended September 30, 2021 – 2023) or expected to be taken in MWA's September 30, 2024 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

CONTRIBUTIONS

The MWA recognizes contributions when cash, securities or other assets, and unconditional promise to give are received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before the MWA is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. The MWA recognizes such contributions when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are 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 of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as "***net assets released from restrictions***."

GOVERNMENT AND PRIVATE GRANTS

The MWA receives funding under various federal and private awards for direct and indirect program costs. Revenues from such awards are considered to be conditional contributions and are generally recognized as qualifying expenses are incurred. The MWA has adopted the simultaneous release option for donor-restricted conditional grants that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Balances outstanding on grants for which the conditions have been met are included in grants receivable and are expected to be collected within one year. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue on the statement of financial position.

MEMBERSHIP DUES AND ASSESSMENTS

Revenue is recognized when control of the services provided is transferred to the member, in an amount that reflects the consideration MWA expects to be entitled to in exchange for its services. Revenue from contracts with customers is from membership dues and assessments which is recognized ratably over the membership period.

FUNCTIONAL ALLOCATION OF EXPENSES

The MWA's costs of program and support activities have been summarized on a functional basis in the statement of activities and changes in net assets. Costs that can be identified with a specific program or support service are charged directly according to their natural expenditure classifications. Costs that are common to multiple programs and/or support functions are allocated based on level of effort and other cost studies.

(2) 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.

(3) NET ASSETS

Net assets with donor restrictions are available for the following purposes at September 30:

	2024
Subject to expenditure for a special purpose:	
Advocacy & communications	$ 75,000
WASH national programs	610,000
	$ 685,000

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors in the amount of $239,517 for the year ended September 30, 2024.

(4) 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 $37,654 year ended September 30, 2024.

(5) NOTES PAYABLE

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 twenty-four months after the date of the note and the balance is due thirty years from the date of the promissory note.

(6) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

MWA strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in an interest bearing cash account. As part of MWA's liquidity management, it has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The following table reflects the MWA's financial assets as of September 30, 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contracted restrictions. Amounts not available to meet general expenditures within one year may include net assets with donor restrictions.

	2024
Financial Assets:	
Cash and cash equivalents	$4,874,821
Employee receivable	7,716
	4,882,537
Less:	
Net assets with donor restrictions	(685,000)
Financial assets available to meet general expenditures within one year	$4,197,537

(7) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, June 30, 2025, have been evaluated in the preparation of the financial statements.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

**Millennium Water Alliance
Houston, Texas**

We have audited the financial statements of Millennium Water Alliance as of and for the year ended September 30, 2024, and have issued our report thereon dated June 30, 2025, which contained an unmodified opinion on those consolidated financial statements 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
June 30, 2025**

MILLENNIUM WATER ALLIANCE

COMPUTATION OF INDIRECT RATE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Year Ended September 30, 2024

	Breakdown of Functional Expenses to Show Indirect Expenses Separately				
	Program	Fund-Raising	Unallowable Indirect (1)	Allowable Indirect	Grand Total
Subrecipient grant expenditures	$ 2,648,180	$ -	$ -	$ -	$ 2,648,180
Salaries and benefits	1,244,096	1,183	107,908	248,777	1,601,964
Contract labor	248,755	-	-	-	248,755
Travel	248,045	-	1,270	41,235	290,550
Professional fees	-	-	-	82,280	82,280
Conferences and meetings	92,309	-	10,677	16,494	119,480
Insurance	2,320	-	-	11,731	14,051
Rent	91,341	-	-	13,656	104,997
Communications	16,385	-	-	9,615	26,000
Miscellaneous	278,997	-	-	6,285	285,282
Supplies and printing	125,800	-	-	6,354	132,154
Website	-	-	-	746	746
Postage and shipping	-	-	-	292	292
Professional organization dues	-	-	-	1,000	1,000
Interest	-	-	-	1,284	1,284
	4,996,228	1,183	119,855	439,749	5,557,015
Allocation of Allowable Indirect Costs	439,645	104	-	(439,749)	-
	$ 5,435,873	$ 1,287	$ 119,855	$ -	$ 5,557,015

COMPUTATION OF INDIRECT COST RATE

Indirect expenses	$ 439,749	
		$ 439,749
Distribution Base		
Program expenses	$ 4,996,228	
Fundraising	1,183	
		$ 4,997,411
Indirect Cost Rate %		8.80%

(1) 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, 2024

BENEFITS POOL EXPENSE	
FUTA, SUTA, Soc. Sec., Medicare & PEO Fees	$ 74,868
Workers compensation insurance	3,097
Health insurance	21,345
401(k) contribution	37,654
Paid leave, allowances, and holidays	102,562
Life insurance/LTD/STD	1,244
Total Benefit Pool Expense	$240,770
ALLOCATION BASE	
Salaries, less paid leave and holidays	$533,264
FRINGE RATE	45.15%

MILLENNIUM WATER ALLIANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2024

Federal Grantor/Program Title / Pass Through Grantor	Contract Number	CFDA Number	Federal Expenditures	Awards To Subrecipients
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
USAID Foreign Assistance for Programs Overseas				
DRIP FUNDI	720BHA23GR00297	98.001	$ 600,054	$ 100,512
STAWI Mashinani	72061524CA00002	98.001	791,421	411,496
Total USAID Foreign Assistance for Programs Overseas			1,391,475	512,008
Total Federal Awards			$ 1,391,475	$ 512,008

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Millennium Water Alliance (***"MWA"***) under programs of the Federal Government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MWA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of MWA.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(3) INDIRECT COST RATE

MWA has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SECTION 2

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Millennium Water Alliance
Houston, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Millennium Water Alliance, which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2025.

Report of Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Millennium Water Alliance's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Millennium Water Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Millennium Water Alliance's internal control.

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

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

Report on Compliance and Other Matters

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

Board of Directors
Millennium Water Alliance
Houston, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Millennium Water Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
June 30, 2025

SECTION 3

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

Board of Directors
Millennium Water Alliance
Houston, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Millennium Water Alliance compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on Millennium Water Alliance's major federal program for the year ended September 30, 2024. Millennium Water Alliance's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Millennium Water Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major program for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Millennium Water Alliance and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for Millennium Water Alliance's major federal program. Our audit does not provide a legal determination of Millennium Water Alliance's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Millennium Water Alliance's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Millennium Water Alliance's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Millennium Water Alliance's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Millennium Water Alliance's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Millennium Water Alliance's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
June 30, 2025

SECTION 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended September 30, 2024

SECTION I

Summary of Auditor's Results

1. An unmodified opinion was issued on the financial statements of Millennium Water Alliance as of and for the year ended September 30, 2024.

2. No material weaknesses or significant deficiencies were reported with respect to Millennium Water Alliance's internal control over financial reporting.

3. Our audit disclosed no instances of noncompliance which are material to the financial statements of Millennium Water Alliance.

4. There were no significant deficiencies or material weaknesses noted with respect to Millennium Water Alliance's internal control over its major programs.

5. An unmodified opinion was issued on compliance with requirements applicable to the major programs of Millennium Water Alliance in accordance with the Uniform Guidance.

6. Our audit disclosed no audit findings required to be reported under 2 CFR Section 200.516(a) of the Uniform Guidance.

7. The major U.S. Government-funded programs of Millennium Water Alliance is as follows:

Federal Grant/Program Title	Federal CFDA Number
United States Agency for International Development	
USAID Foreign Assistance for Programs Overseas	98.001

8. The dollar threshold used to distinguish a Type A program was $750,000.

9. The Organization did not qualify as a low-risk auditee.

SECTION II

Findings Related to Financial Statements

None

SECTION III

Federal Award Findings and Questioned Costs

None

SECTION IV

Summary of Prior Year Findings

None