

Audited Financial Statements

**AMERICAN COUNCIL FOR AN ENERGY
EFFICIENT ECONOMY**

December 31, 2018

American Council for an Energy-Efficient Economy

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Independent Auditor's Report on the Financial Statements

To the Board of Directors
American Council for an Energy-Efficient Economy

Report on the Financial Statements

We have audited the accompanying financial statements of American Council for an Energy-Efficient Economy (ACEEE), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to ACEEE'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 ACEEE'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 American Council for an Energy-Efficient Economy as of December 31, 2018, and the changes in its net assets, its functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of Accounting Standards Update 2016-14

As described in Note A to the financial statements, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). As required by the FASB, ACEEE adopted the provisions of ASU 2016-14 during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources. There was no change in ACEEE's previously reported change in net assets as a result of the adoption of the ASU. Our opinion is not modified with respect to this matter.

Washington, DC
April 11, 2019

American Council for an Energy-Efficient Economy

Statement of Financial Position

December 31, 2018

Assets

Cash and cash equivalents	\$ 920,736
Investments	7,860,066
Accounts receivable	101,284
Grants, contributions, and contracts receivables	1,548,883
Prepaid expenses	70,864
Security deposit	37,754
Property and equipment, net	250,459

Total assets	\$ 10,790,046
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Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 338,774
Deferred revenue	248,979
Deferred rent	186,778

Total liabilities	774,531
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Net assets

Without donor restrictions

Undesignated	4,669,472
Board-designated	43,776

Total net assets without donor restrictions	4,713,248
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With donor restrictions	5,302,267
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Total net assets	10,015,515
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Total liabilities and net assets	\$ 10,790,046
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American Council for an Energy-Efficient Economy

Statement of Activities

Year ended December 31, 2018

Activities without donor restrictions

Revenue and support

Conference	\$	2,186,616
Contracts		1,190,856
Ally program		498,146
Interest and dividends		205,685
Grants and contributions		30,739
Other income		18,043
Net assets released from restrictions		5,704,244

Total revenue and support		9,834,329
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Expense

Program services		
Research programs		5,947,663
Conference		1,729,935
Lobbying		26,318

Total program services		7,703,916
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Supporting services		
General and administrative		1,368,710
Development		355,089

Total supporting services		1,723,799
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Total expense		9,427,715
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Change in net assets without donor restrictions from operations		406,614
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Realized and unrealized loss on investments		(380,779)
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Change in net assets without donor restrictions		25,835
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Activities with donor restrictions

Grants and contributions		7,596,693
Net assets released from restrictions		(5,704,244)

Change in net assets with donor restrictions		1,892,449
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Change in net assets		1,918,284
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Net assets, beginning of year		8,097,231
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Net assets, end of year	\$	10,015,515
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American Council for an Energy-Efficient Economy

Statement of Functional Expenses

Year ended December 31, 2018

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total
	Research Programs	Conference	Lobbying		General and Administrative	Development		
Salaries	\$ 3,125,644	\$ 342,624	\$ 8,954	\$ 3,477,222	\$ 745,478	\$ 193,370	\$ 938,848	\$ 4,416,070
Fringe benefits	1,196,879	132,025	3,466	1,332,370	265,850	75,277	341,127	1,673,497
Total personnel expense	4,322,523	474,649	12,420	4,809,592	1,011,328	268,647	1,279,975	6,089,567
Accounting fees	-	-	-	-	22,500	-	22,500	22,500
Bank charges	37	4,068	-	4,105	7,107	981	8,088	12,193
Conferences and meetings	60,338	709,803	-	770,141	10,886	4,435	15,321	785,462
Consultants	620,943	338,155	11,564	970,662	61,888	11,696	73,584	1,044,246
Depreciation and amortization	89,900	9,873	259	100,032	19,898	5,586	25,484	125,516
Dues and subscriptions	11,422	-	-	11,422	9,683	1,559	11,242	22,664
Insurance	-	-	-	-	8,164	-	8,164	8,164
Legal services	-	-	-	-	8,926	-	8,926	8,926
Meals and entertainment	-	-	-	-	17,878	4,251	22,129	22,129
Miscellaneous	-	-	-	-	2,250	-	2,250	2,250
Postage and shipping	3,412	17,131	-	20,543	2,512	-	2,512	23,055
Printing	10,449	26,771	-	37,220	32,556	274	32,830	70,050
Rent	440,506	48,247	1,244	489,997	97,181	27,279	124,460	614,457
Staff development	-	-	-	-	32,665	-	32,665	32,665
Supplies	38,969	37,149	128	76,246	-	2,580	2,580	78,826
Taxes	-	-	-	-	9,252	-	9,252	9,252
Telephone	70,593	7,702	200	78,495	-	5,000	5,000	83,495
Travel	278,571	56,387	503	335,461	14,036	22,801	36,837	372,298
Total expenses	\$ 5,947,663	\$ 1,729,935	\$ 26,318	\$ 7,703,916	\$ 1,368,710	\$ 355,089	\$ 1,723,799	\$ 9,427,715

See notes to the financial statements.

American Council for an Energy-Efficient Economy

Statement of Cash Flows

December 31, 2018

Cash flows from operating activities	
Change in net assets	\$ 1,918,284
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	125,516
Net realized and unrealized loss on investments	380,779
Deferred rent	(79,434)
Change in assets and liabilities:	
Accounts receivable, net	(29,723)
Grants, contributions, and contracts receivable	(956,008)
Prepaid expenses	37,645
Accounts payable and accrued expenses	(18,885)
Deferred revenue	25,794
Total adjustments	(514,316)
Net cash provided by operating activities	1,403,968
Cash flows from investing activities	
Purchases of property and equipment	(40,446)
Purchases of investments	(3,009,830)
Proceeds from sales of investments	2,150,000
Net cash used in investing activities	(900,276)
Net increase in cash and cash equivalents	503,692
Cash and cash equivalents, beginning of year	417,044
Cash and cash equivalents, end of year	\$ 920,736
Supplemental Disclosure of Cash Flow Information	
Cash paid for income taxes	\$ 5,280
Donated securities	\$ 4,155

American Council for an Energy-Efficient Economy

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The American Council for an Energy-Efficient Economy (ACEEE) is a not-for-profit organization incorporated under the laws of California during February 1980. The objectives of ACEEE are to gather, evaluate and disseminate information to stimulate greater efficiency of energy use. ACEEE focuses on program areas including energy policy, research, and outreach. It offers conferences, publications, and other forums for professionals and other organizations within the field.

ACEEE carries out its mission by conducting technical and policy analyses; advising policy makers and program managers; working with businesses, government officials, public interest groups, and other organizations; assisting traditional and new media to cover energy efficiency policy and technical issues; and educating consumers and businesses through ACEEE's conferences, press activities, and websites.

Income tax status: ACEEE is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation by the Internal Revenue code. ACEEE may be subject to tax on unrelated business income activities such as advertising. Additionally, beginning January 1, 2018, qualified transportation and parking benefits provided by ACEEE are subject to unrelated business income taxes. Federal and District of Columbia income tax totaled approximately \$7,800 for the year ended December 31, 2018.

Basis of accounting: ACEEE prepares its financial statements on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expense when the obligation is incurred.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents: For purposes of the financial statements, ACEEE considers currency on hand, demand deposits, and highly liquid investments purchased from financial institutions with an original maturity of three months or less to be cash and cash equivalents.

Accounts, grants, contributions, and contracts receivable: Contracts receivable are stated at the amount that management expects to collect from services ACEEE has provided under federal grants, and nonfederal contracts. Accounts, grants, and contributions receivable are stated at net realizable value and are expected to be collected within the next year. Management periodically reviews the collectability of all receivables based on management's knowledge of and relationship with the vendors, grantors, and donors, age of the receivable balance, and existing economic conditions. As a result of these reviews, it is ACEEE's policy to write off uncollectible receivable balances when management determines that the receivable will not be collected. As of December 31, 2018, management believes that all receivables are fully collectible within one year; therefore, no allowance for doubtful accounts was recorded.

American Council for an Energy-Efficient Economy

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net assets: Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, ACEEE's net assets are classified as follows:

Net assets without donor restrictions: Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. ACEEE's Board of Directors has designated amounts raised by ACEEE's 25th Anniversary Campaign for certain future projects. These amounts are recorded as Board-designated on the statement of financial position.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions that are met either by actions of ACEEE or the passage of time. Net assets released from restrictions of \$5,704,244 relate to the passage of time and/or ACEEE's usage of the restricted net assets for the purpose stipulated by the donor.

Revenue recognition: Contributions, including grants, are recorded when unconditionally committed as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Conference revenue is recognized as revenue once the event takes place. Contract revenue is recognized on a cost-reimbursement basis to the extent that allowable direct and indirect costs are incurred. Revenue from all other sources is recognized when earned.

Program services: The following is a brief description of the program services of ACEEE:

Research programs: ACEEE's research programs seek to improve energy efficiency through lowering energy costs, improving economic productivity, and decreasing environmental pollution.

Conference: ACEEE's conferences disseminate information to stimulate the efficiency of energy use in the economy.

Lobbying: ACEEE lobbies Congress on behalf of appliance energy efficiency standards, Federal appropriations for energy efficiency research and development, and new Federal programs to promote energy efficiency.

Functional allocation of expenses: Costs of ACEEE's various programs and activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. Information technology, supplies, and telecommunications expenses have been allocated on the basis of employee effort. Salaries and fringe benefits, occupancy, depreciation and amortization, and all other expenses are directly charged to the applicable functional areas.

Measure of operations: ACEEE does not include realized and unrealized gains or losses on investments in the change in net assets without donor restrictions from operations.

American Council for an Energy-Efficient Economy

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

New accounting standard: The Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). As required by the FASB, ACEEE adopted the provisions of ASU 2016-14 during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources.

Subsequent events: Subsequent events have been evaluated through April 11, 2019, which is the date the financial statements were available to be issued.

B. CONCENTRATIONS

Credit risk: ACEEE maintains demand deposits with various financial institutions which, at times, may exceed federally-insured limits. The uninsured positions of these accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss. ACEEE has not experienced any such losses in the past and does not believe it is exposed to any significant financial risk on these balances.

Market value risk: ACEEE also invests in various equity and fixed income securities. Such investments are exposed to market and credit risks, such as fluctuations in market value and credit risk. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

C. INVESTMENTS

In accordance with current accounting standards, ACEEE uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

Level 2 – Inputs other than Level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments recorded at fair value include mutual funds, consisting of equity, fixed income, and blended funds, and equities. The values of these investments were determined on a recurring basis using Level 1 inputs based on quoted prices for identical assets in active markets. Management believes the estimated fair values to be a reasonable approximation of the exit price for these investments.

Investments recorded at cost include money market funds and certificates of deposit. Investments recorded at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

American Council for an Energy-Efficient Economy

Notes to the Financial Statements

C. INVESTMENTS - CONTINUED

Investments consist of the following at December 31, 2018:

Investments, at fair value	
Mutual funds - equity funds	\$ 3,316,187
Mutual funds - bond funds	2,097,564
Mutual funds - blended funds	594,220
Equities	<u>3,784</u>
Total investments, at fair value	6,011,755
Money market funds	1,725,706
Certificates of deposit	<u>122,605</u>
	<u>\$ 7,860,066</u>

D. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

ACEEE regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, ACEEE considers all expenditures related to its ongoing research and educational activities as well as the conduct of services undertaken to support those activities to be general expenditures.

ACEEE operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. ACEEE's governing board has designated a portion of its unrestricted resources for research and other purposes (board-designated net assets). These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

Financial assets available for general expenditure within one year are as follows as of December 31, 2018:

Cash and cash equivalents	\$ 920,736
Investments	7,860,066
Accounts receivable	101,284
Grants, contributions, and contracts receivables	<u>1,548,883</u>
Total liquid financial assets at year-end	10,430,969
Less:	
Board-designated assets for use in future periods	(43,776)
Net assets restricted by donors	<u>(5,302,267)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,084,926</u>

American Council for an Energy-Efficient Economy

Notes to the Financial Statements

E. GRANTS, CONTRIBUTIONS, AND ACCOUNTS RECEIVABLE

Grants, contributions, and contracts receivable consist of the following at December 31, 2018:

Grants and contributions	\$ 1,172,000
Contracts	<u>376,883</u>
	<u>\$ 1,548,883</u>

F. PROPERTY AND EQUIPMENT

Property and equipment acquisitions with a cost greater than \$1,000 and a projected useful life exceeding one year are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining life of the lease or the useful life of the asset.

Property and equipment consists of the following at December 31, 2018:

Furniture and equipment	\$ 210,498
Software	237,743
Leasehold improvements	<u>324,230</u>
	772,471
Less: accumulated depreciation and amortization	<u>(522,012)</u>
	<u>\$ 250,459</u>

Depreciation and amortization expense for the year ended December 31, 2018 was \$125,516. ACEEE disposed of fully-depreciated fixed assets with an original cost of \$33,923 during the year ended December 31, 2018.

G. RETIREMENT PLAN

A qualified 403(b) retirement plan (the "Plan") has been established for which all eligible employees are eligible to participate and make salary deferral contributions up to the federal limits annually. Under the Plan, ACEEE makes a 2% contribution and will match up to 3% of eligible employee compensation. Total employer contributions to the Plan totaled \$241,331 for the year ended December 31, 2018.

American Council for an Energy-Efficient Economy

Notes to the Financial Statements

H. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes as of December 31, 2018:

Policy	\$ 2,496,054
Promoting energy efficiency	780,896
General research	404,572
Transportation	404,219
Buildings	370,667
Utilities	285,331
Industrial	227,783
Health and environment	120,168
Conferences	82,796
Linda Latham Scholarship Fund	71,962
Behavior	45,085
Others	12,734
	<u>\$ 5,302,267</u>

I. COMMITMENTS AND CONTINGENCIES

Operating lease: In March 2008, ACEEE entered into an operating lease agreement for office space which was originally scheduled to expire in July 2018 with an option to renew for an additional five years. The lease was amended effective May 2014 to expand the original office space and extend the expiration to July 31, 2021, with an option to renew for an additional five years, and was further amended effective July 2016 with an additional office space expansion. The original agreement and each amendment contain tenant allowances for improvements, escalation clauses, and charges for other costs related to the leased office space.

In accordance with the original lease agreement, ACEEE obtained an irrevocable letter of credit in the amount of \$113,262 as a security deposit, secured by a certificate of deposit, which were both reduced to \$48,915 per the May 2014 amendment. Per the July 2016 amendment, both were increased to \$53,392. The certificate of deposit is included in investments in the accompanying statements of financial position.

In accordance with accounting principles generally accepted in the United States of America, operating lease expenses should be recorded based on the straight-line method over the life of the lease, with the accumulated difference between rent paid and straight-line expense recorded as deferred rent expense in the statement of financial position. Also included in deferred rent expense is the unamortized portion of tenant improvement allowances, which are being amortized using the straight-line method over the shorter of the remaining life of the lease or the useful life of the asset. Total deferred rent is \$186,778 at December 31, 2018.

American Council for an Energy-Efficient Economy

Notes to the Financial Statements

I. COMMITMENTS AND CONTINGENCIES - CONTINUED

Future minimum lease payments, subject to annual operating expense increases, under the terms of the office lease are as follows:

Year Ending December 31,	Amount
2019	\$ 648,103
2020	664,278
2021	<u>393,433</u>
	<u>\$ 1,705,814</u>

Rent expense for the year ended December 31, 2018 totaled \$614,457.

T A T E



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Independent Auditor's Report on the Supplementary Information

To the Board of Directors
American Council for an Energy-Efficient Economy

We have audited the financial statements of American Council for an Energy-Efficient Economy (ACEEE) as of and for the year ended December 31, 2018, and our report thereon dated April 11, 2019, which contained an unmodified opinion on those financial statements, appears on page one. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on the following pages is presented for the purposes of additional analysis and is 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 supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the supplementary 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 supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Washington, DC
April 11, 2019

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American Council for an Energy-Efficient Economy

Schedule of Fringe Benefits Expense

Year ended December 31, 2018

Holiday, sick, and vacation	\$	721,978
Payroll taxes		368,515
Health, life and disability insurance, and metro allowance		341,622
Retirement		241,331
Other benefits		51
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Total fringe benefits	\$	1,673,497

American Council for an Energy-Efficient Economy

Schedule of Indirect Costs

Year ended December 31, 2018

Salaries	\$ 1,000,518
Fringe benefits	365,017
Consultants	179,857
Rent	133,088
Telephone	81,621
Supplies	41,172
Staff development	32,666
Printing and publications	32,555
Depreciation and amortization	27,238
Accounting fees	22,500
Meals and entertainment	17,878
Travel	14,037
Conferences and meetings	10,886
Dues and subscriptions	9,686
Taxes	9,253
Legal fees	8,926
Insurance	8,164
Bank charges	7,104
Postage and shipping	2,511
Other expenses	2,422
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Total Indirect Costs	2,007,099
Less unallowable costs:	
Amounts subsidized by ACEEE	(4,433)
Meals and entertainment	(17,878)
<hr/>	
Total unallowable costs	(22,311)
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Total allowable indirect costs	\$ 1,984,788

American Council for an Energy-Efficient Economy

Schedule of Determination of Indirect Cost Rates

Year ended December 31, 2018

FRINGE BENEFITS RATE

<u>Numerator</u>	
Total fringe benefits	\$ 1,673,497
<u>Denominator</u>	
Total salaries	\$ 4,416,070
Fringe benefits rate	37.90%

DEPRECIATION AND AMORTIZATION RATE

<u>Numerator</u>	
Total depreciation and amortization	\$ 125,516
<u>Denominator</u>	
Total salaries	\$ 4,416,070
Total fringe benefits	1,673,497
Total	\$ 6,089,567
Depreciation and amortization rate	2.06%

RENT RATE

<u>Numerator</u>	
Total Rent	\$ 614,457
<u>Denominator</u>	
Total salaries	\$ 4,416,070
Total fringe benefits	1,673,497
Total	\$ 6,089,567
Rent rate	10.09%

American Council for an Energy-Efficient Economy

Schedule of Determination of Other Rates

Year ended December 31, 2018

GENERAL AND ADMINISTRATIVE COST RATE

<u>Numerator</u>	
Total allowable general and administrative costs	\$ 1,047,614
<u>Denominator</u>	
Direct salaries	\$ 3,415,551
Applied fringe benefits	1,308,477
Total	\$ 4,724,028
General and administrative cost rate	22.18%

HUMAN RESOURCES RATE

<u>Numerator</u>	
Total human resources expense	\$ 298,953
<u>Denominator</u>	
Total salaries	\$ 4,416,070
Total fringe benefits	1,673,497
Total	\$ 6,089,567
Human resources rate	4.91%

IT, WEBSITE, AND DATABASE RATE

<u>Numerator</u>	
Total IT, website, and database expense	\$ 522,762
<u>Denominator</u>	
Total salaries	\$ 4,416,070
Total fringe benefits	1,673,497
Total	\$ 6,089,567
IT, website, and database rate	8.58%

SUPPLIES AND COMMUNICATIONS RATE

<u>Numerator</u>	
Total supplies and communications	\$ 115,459
<u>Denominator</u>	
Total salaries	\$ 4,416,070
Total fringe benefits	1,673,497
Total	\$ 6,089,567
Supplies and communications rate	1.90%