

**STOCKHOLM ENVIRONMENT  
INSTITUTE U.S., INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 and 2016**

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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## INDEPENDENT AUDITORS' REPORT

Sondi B. Stanton, CPA  
John M. Stanton, CPA, MST

To the Board of Directors  
Stockholm Environment Institute U.S., Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Stockholm Environment Institute U.S., Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor considers internal control relevant to the entity'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 entity'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 Stockholm Environment Institute U.S., Inc. as of December 31, 2017 and 2016, 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.

## ***Other Matters***

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 is presented for 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 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.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2018, on our consideration of Stockholm Environment Institute U.S., Inc.'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 Stockholm Environment Institute U.S., Inc.'s internal control over financial reporting and compliance.



Stanton & Co.  
Woburn, Massachusetts  
September 10, 2018

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 AND 2016**

**ASSETS**

<b>CURRENT ASSETS:</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 1,644,664	\$ 1,599,344
Short-term investments	255,953	255,827
Contracts receivable	1,011,924	1,180,255
Grants receivable	67,450	401,111
Unbilled work in progress	356,716	110,995
Prepaid expenses	39,235	44,678
<b>TOTAL CURRENT ASSETS</b>	<u>3,375,942</u>	<u>3,592,210</u>
<b>PROPERTY &amp; EQUIPMENT:</b>		
Property & equipment, net	<u>35,593</u>	<u>47,676</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,411,535</u></u>	<u><u>\$ 3,639,886</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 237,634	\$ 477,136
Accrued expenses	241,895	242,532
Unearned revenue	232,878	212,794
<b>TOTAL LIABILITIES</b>	<u>712,407</u>	<u>932,462</u>
<b>NET ASSETS:</b>		
Unrestricted net assets	2,429,659	2,294,605
Temporarily restricted net assets	269,469	412,819
<b>TOTAL NET ASSETS</b>	<u>2,699,128</u>	<u>2,707,424</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,411,535</u></u>	<u><u>\$ 3,639,886</u></u>

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

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE:</b>			
Contract revenue	\$ 4,124,515		\$ 4,124,515
Grant revenue	1,189,236	\$ 174,777	1,364,013
License revenue	179,357		179,357
Currency conversion income	58,359		58,359
Interest income	5,490		5,490
Sub lease income	14,410		14,410
Miscellaneous income	3,472		3,472
Satisfaction of program restrictions	<u>318,127</u>	<u>(318,127)</u>	<u>-</u>
<b>TOTAL REVENUE</b>	<u>5,892,966</u>	<u>(143,350)</u>	<u>5,749,616</u>
<b>EXPENSES AND LOSSES:</b>			
Program services	4,992,569		4,992,569
Management and general	<u>765,343</u>		<u>765,343</u>
<b>TOTAL EXPENSES</b>	<u>5,757,912</u>	<u>-</u>	<u>5,757,912</u>
Change in net assets	135,054	(143,350)	(8,296)
Net assets, beginning of period	2,294,605	412,819	2,707,424
Net assets, end of period	<u>\$ 2,429,659</u>	<u>\$ 269,469</u>	<u>\$ 2,699,128</u>

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

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE:</b>			
Contract revenue	\$ 3,969,410		\$ 3,969,410
Grant revenue	1,077,334	\$ 308,189	1,385,523
License revenue	170,040		170,040
Interest income	3,541		3,541
Sub lease income	17,880		17,880
Miscellaneous income	3,618		3,618
Satisfaction of program restrictions	282,873	(282,873)	-
<b>TOTAL REVENUE</b>	<u>5,524,696</u>	<u>25,316</u>	<u>5,550,012</u>
<b>EXPENSES AND LOSSES:</b>			
Program services	4,376,877		4,376,877
Management and general	748,651		748,651
<b>TOTAL EXPENSES</b>	<u>5,125,528</u>		<u>5,125,528</u>
Change in net assets	399,168	25,316	424,484
Net assets, beginning of period	1,895,437	387,503	2,282,940
Net assets, end of period	<u>\$ 2,294,605</u>	<u>\$ 412,819</u>	<u>\$ 2,707,424</u>

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

**STOCKHOLM ENVIRONMENT INSTITUTE U.S, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Programs</u>	<u>Management and General</u>	<u>Total</u>
Payroll	\$ 2,612,048	\$ 281,803	\$ 2,893,851
Payroll taxes	194,145	22,241	216,386
Employee benefits	298,603	38,864	337,467
Professional and consulting fees	1,383,965	69,080	1,453,045
Travel	392,952	8,403	401,355
Occupancy		206,893	206,893
Depreciation		19,403	19,403
Professional development	21,175	213	21,388
Foreign taxes	7,350		7,350
Insurance		31,590	31,590
Internet services	11,683	31,221	42,904
Office supplies and costs	10,791	12,261	23,052
Printing and publication costs	2,754	603	3,357
Postage	60	1,739	1,799
Banking charges	65	8,041	8,106
Telephone		8,014	8,014
Bad debts		7,602	7,602
Miscellaneous	56,978	17,372	74,350
TOTAL	<u>\$ 4,992,569</u>	<u>\$ 765,343</u>	<u>\$ 5,757,912</u>

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

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2016**

	Programs	Management and General	Total
Payroll	\$ 2,408,639	\$ 299,036	\$ 2,707,675
Payroll taxes	180,526	20,626	201,152
Employee benefits	297,970	41,671	339,641
Professional and consulting fees	961,016	40,155	1,001,171
Travel	367,356	16,533	383,889
Occupancy		192,056	192,056
Depreciation		19,984	19,984
Professional development	16,758	1,921	18,679
Foreign currency loss	69,988		69,988
Insurance		31,491	31,491
Internet services	844	27,492	28,336
Office supplies and costs	7,798	17,980	25,778
Printing and publication costs	4,651	819	5,470
Postage	123	2,678	2,801
Banking charges	326	7,944	8,270
Telephone	19	10,654	10,673
Miscellaneous	60,863	17,611	78,474
TOTAL	<u>\$ 4,376,877</u>	<u>\$ 748,651</u>	<u>\$ 5,125,528</u>

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

**STOCKHOLM ENVIRONMENT INSTITUTE , INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (8,296)	\$ 424,484
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,403	19,984
Decrease (Increase) in operating assets:		
Contracts receivable	168,331	(347,754)
Grants receivable	333,661	(317,488)
Unbilled work in progress	(245,721)	156,901
Prepaid expenses	5,443	(3,080)
(Decrease) Increase in operating liabilities:		
Accounts payable	(239,502)	306,571
Accrued expenses	(637)	(101,025)
Unearned revenue	20,084	(27,122)
Net cash provided by operating activities	<u>52,766</u>	<u>111,471</u>
Cash flows from investing activities:		
Purchase of short-term investments	(126)	(136)
Sale of equipment	743	140
Purchase of equipment	<u>(8,063)</u>	<u>(19,416)</u>
Net cash used by investing activities	<u>(7,446)</u>	<u>(19,412)</u>
Net increase in cash	45,320	92,059
Cash and cash equivalents:		
Beginning of Year	<u>1,599,344</u>	<u>1,507,285</u>
End of Year	<u><u>\$ 1,644,664</u></u>	<u><u>\$ 1,599,344</u></u>

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

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE A – NATURE OF ACTIVITIES**

Nature of Activities

Stockholm Environment Institute U.S., Inc. supports decision-making and inducing change towards sustainable development around the world by providing knowledge that bridges science and policy in the fields of environment and development, and by conducting innovative, integrated applied systems research, which forms the basis for policy advice, capacity building, decision support, and policy implementation.

Stockholm Environment Institute U.S., Inc. is an independent research affiliate of Tufts University. The Organization does not provide services or conduct activities other than those directly related to its stated purpose.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less.

Investments:

Short-term investments consist of certificates of deposits with terms longer than ninety days but less than one year. Investments are stated at cost, which approximates market.

Contract and Grant Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization deemed no allowance for doubtful accounts necessary at December 31, 2017 and 2016.

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
CONTINUED**

Property and equipment

Property and equipment purchased in excess of \$1,000 are recorded at cost at the date of acquisition. Contributed assets are capitalized at their fair values at the date of contribution. Proceeds from the sale of assets, if unrestricted, are transferred to unrestricted net assets or, if restricted, restricted for future acquisitions. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board *Financial Statements of Not-for-Profit Organizations*. Under these professional standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are classified as unrestricted.

Revenue Recognition

Revenue from contracted services is recognized as the services are performed and specific benchmarks are achieved. Unbilled work in progress represents revenue that has been earned but will be billed at a future date. Funds received in advance of work performed are recorded as unearned revenue until the work is complete or specific benchmarks are achieved.

Functional Allocation of Expenses

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. Other expenses that are common to several functions are allocated based on salary expenditures.

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Income Taxes

The Organization is exempt from federal and state income tax under Section 501c (3) of the Internal Revenue Code and has been classified as an entity that is not a private foundation. Contributions to the Organization are tax deductible.

Use of Estimates

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

**NOTE C – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2017</u>	<u>2016</u>
Computer equipment	\$ 156,580	\$ 151,233
Office furniture & equipment	48,218	46,987
Software	13,948	13,948
Less accumulated depreciation	<u>(183,153)</u>	<u>(164,492)</u>
Net	<u>\$ 35,593</u>	<u>\$ 47,676</u>

**NOTE D – COMMITMENTS**

The Organization leases three of its facilities under three rental agreements that expire August 2020, September 2021 and October 2021, respectively. The agreements require monthly minimum lease payments.

Future minimum rental payments for the next four years is as follows:

Year Ending December 31,	
2018	195,269
2019	200,784
2020	185,315
2021	<u>114,211</u>
Total	<u>\$695,579</u>

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE D – COMMITMENTS (continued)**

The Organization has two subleases at its Seattle office from 2017 to 2021 and had one sublease from 2015 to 2016. Rent expense for the years ending December 31, 2017 and 2016 was \$202,315 and \$187,945, respectively. Rental income for the years ending December 31, 2017 and 2016 was \$17,880 and \$14,410, respectively.

Minimum rental income for the years ended December 31, 2018 and 2019 will be \$14,592 and \$8,512, respectively.

Total occupancy expense, including rent and utilities, for the years ended December 31, 2017 and 2016 was \$206,893 and \$192,056, respectively.

**NOTE E – CONCENTRATIONS**

Cash

The Organization maintains several bank accounts at one bank, as well as an account at another bank. Both banks are insured by the FDIC up to the federally insured limit of \$250,000. One of the banks is also a member of the Depositors Insurance Fund (DIF). The DIF is a private, industry-sponsored excess deposit insurance company. It insures all deposits above the FDIC limit in fifty-two Massachusetts chartered savings banks. All banks that are members of the DIF are also members of the FDIC. DIF deposit insurance is backed solely by its own assets. At December 31, 2017 and 2016 \$5,953 and \$5,827, respectively, of the Organization's cash is uninsured.

Grants and Contracts

Major grants and contracts are those \$50,000 or more. Nine grantors in 2017 and six grantors in 2016 accounted for 89% and 68% of grant income, respectively. One grantor accounted for 25% and 28% of total grant income in 2017 and 2016, respectively. Twenty-three clients in 2017 and fourteen clients in 2016 accounted for 69% and 85% of contract income, respectively. Four clients comprise 81% of contracts receivable at December 31, 2017. Six clients comprise 71% of contracts receivable at December 31, 2016.

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE F – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted assets are available for the following purposes at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Bloomberg City-Scale Actions	\$ -	\$104,630
Blue Moon Ayeyarwady Phase II	-	99,000
City Alliance Bangalore	-	35,996
GACC Facilitating Clean Cook stoves	33,307	40,943
Overlook Foundation Honduras	144,274	85,098
RLF Yolo Sustainable GW Plan	7,188	23,308
SEI-Core	3,425	23,844
KR Policy Conference	55,012	-
NVF Canada Oil	19,531	-
SMF Fossil Fuels in CA	<u>6,732</u>	<u>-</u>
	<u>\$269,469</u>	<u>\$412,819</u>

**NOTE G – FOREIGN CURRENCY TRANSACTIONS**

The Organization has grants and contracts with foreign agencies that pay the Organization in currencies other than the entity's functional currency (foreign currencies). Exchange differences arising on the settlement of receivables are included in the Statement of Activities for the period. Foreign currency gain for the year ended December 31, 2017 totaled \$58,359 in 2017. Foreign currency loss totaled \$69,988 for the year ended December 31, 2016.

**NOTE H – EMPLOYEE BENEFIT PLAN**

The Organization has a defined contribution profit sharing plan under Internal Revenue Code Section 403(b) and substantially all eligible employees of the Organization may participate in this plan. The Organization provides a maximum matching contribution 100% of the first 4% of salary invested in the plan by a participant. The Organization made contributions of \$110,397 and \$105,255 for the years ended December 31, 2017 and 2016, respectively.

**NOTE I – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 10, 2018 the date the financial statements were available to be issued.

***SUPPLEMENTARY INFORMATION***

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/ Pass through grantor	Federal CFDA No.	Contract No.	Federal Expenditures	Passed Through to Subrecipients
<b>Research and Development - Cluster</b>				
<b>U.S. Agency for International Development</b>	98.001			
Winrock International		AID-OAA-L-16-00006	\$ 169,272	\$ -
Research Triangle Institute		AID-492-TO-14-00005	131,026	-
International Resources Group (Engility Corp.)		AID-OAA-M-15-00005	12,940	-
Abt Associates Inc.		AID-486-C-16-00001	60,012	-
Energy Efficiency Centre Georgia		RFA#2017 - 009	4,291	-
AECOM USA. Inc.		AID-306-C-17-00001	17,269	-
Total U.S. Agency for International Development			\$ 394,810	\$ -
<b>U.S. Environmental Protection Agency</b>	66.509	83542102	\$ 346,914	\$ 232,245
Total U.S. Environmental Protection Agency			\$ 346,914	\$ 232,245
<b>U.S. Department of Agriculture</b>	10.310	20166702625045	\$ 180,879	\$ 93,235
Total U.S. Department of Agriculture			\$ 180,879	\$ 93,235
<b>U.S. Department of Energy</b>				
University of California Berkeley	81.087	DE-IA0000018	\$ 83,248	\$ 28,822
Total U.S. Department of Energy			\$ 83,248	\$ 28,822
<b>National Science Foundation</b>				
University of North Carolina at Chapel Hill	47.050	1617359	\$ 37,386	\$ -
Total National Science Foundation			\$ 37,386	\$ -
<b>Total Research and Development Cluster and Expenditures of Federal Awards</b>			<u>\$ 1,043,237</u>	<u>\$ 354,302</u>

The accompanying notes are an integral part of this schedule.

**STOCKHOLM ENVIRONMENT INSTITUTE U.S., INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2017**

**A. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") summarizes the federal expenditures of Stockholm Environment Institute U.S., Inc. ("the Organization") under programs of the federal government for the year ended December 31, 2017. The amounts reported as federal expenditures were obtained from the Organization's general ledger. Because the schedule presents only a selected portion of the Organization's operations, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization. The Organization receives funds from the federal government in the form of grants and contracts either directly from the government or through pass through agencies.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the Organization and agencies and departments of the federal government and all sub awards to the Organization by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. 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).

**B. SUMMARY OF SIGNIFACT ACCOUNTING POLICES**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Stockholm Environment Institute U.S., Inc. and is presented 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**C. INDIRECT COST RATE**

Stockholm Environment Institute U.S., Inc. has a federally negotiated indirect cost rate that is being used for federal awards and has elected not to use the 10-percent de minimis indirect cost rate.