

**OPEN GOVERNMENT PARTNERSHIP**  
(a project of the Tides Center)

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**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

For the year ended December 31, 2013

**OPEN GOVERNMENT PARTNERSHIP**  
(a project of the Tides Center)

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## INDEPENDENT AUDITORS' REPORT

Open Government Partnership  
(a project of the Tides Center)  
San Francisco, California

We have audited the accompanying statement of activities and changes in net assets of Open Government Partnership, a project of Tides Center, for the year ended December 31, 2013, and the related notes.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this statement of activities and changes in net assets 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 the statement of activities and changes in net assets that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on this statement of activities and changes in net assets 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of activities and changes in net assets. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement 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 statement of activities and changes in net assets.

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 statement of activities and changes in net assets referred to above presents fairly, in all material respects, the results of the operations for the year ended December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

*Burr Pilger Mayer, Inc.*

San Francisco, California  
July 23, 2014

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for the year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Government grants	\$ 169,581	\$ -	\$ 169,581
Membership fees	1,149,954	-	1,149,954
Foundation grants and contributions	45,000	2,840,000	2,885,000
Other	3,975	-	3,975
Net assets released from restriction	1,340,000	(1,340,000)	-
Total support and revenue	2,708,510	1,500,000	4,208,510
Expenses:			
Program services	1,250,954	-	1,250,954
Supporting services:			
Management and general	626,316	-	626,316
Fundraising	117,959	-	117,959
Total supporting services	744,275	-	744,275
Total expenses	1,995,229	-	1,995,229
Change in net assets	713,281	1,500,000	2,213,281
Net assets, beginning of year	503,427	-	503,427
Net assets, end of year	\$ 1,216,708	\$ 1,500,000	\$ 2,716,708

The accompanying notes are an integral  
part of this financial statement.

**OPEN GOVERNMENT PARTNERSHIP**  
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**NOTES TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

December 31, 2013

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**1. Description of the Project**

Open Government Partnership (OGP) was formed in 2012. OGP is a voluntary, multi-stakeholder international initiative that aims to secure concrete commitments from governments to their citizenry to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. In pursuit of these goals, OGP provides an international forum for dialogue and sharing ideas and experience among governments, civil society organizations, and the private sector, all of which contribute to a common pursuit of open government. OGP's stakeholders include participating governments as well as civil society and private sector entities that support the principles and mission.

OGP's agenda is set by a Steering Committee composed of representatives from seven member nations elected by the members.

OGP receives membership fees from member countries and contributions from foundations and governmental entities. OGP's purpose is that more governments become sustainably more transparent, more accountable, and more responsive to their own citizens, with the ultimate goal of improving the quality of governance, as well as the quality of services that citizens receive.

The Tides Center, a 501(c)(3) nonprofit organization, is the fiscal sponsor of OGP (the Project). The Project does not receive direct financial support from Tides Center.

**2. Summary of Significant Accounting Policies**

***Basis of Accounting and Presentation***

The accompanying statement of activities and changes in net assets has been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The Project reports information regarding its net assets and activities according to two classes of net assets: unrestricted and temporarily restricted.

**Unrestricted Net Assets**

Unrestricted net assets consist of all resources of OGP that have not been restricted by a donor.

**Temporarily Restricted Net Assets**

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of OGP and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Continued

**OPEN GOVERNMENT PARTNERSHIP**  
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**NOTES TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

December 31, 2013

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**2. Summary of Significant Accounting Policies, continued**

***Use of Estimates***

The preparation of a financial statement 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.

***Membership Fees***

The Steering Committee of OGP resolved that all government members of the Steering Committee should contribute at least 50 percent to the OGP budget, that contributions should be an expectation for all SC governments, that these commitments should be multi-year (subject to domestic approval and allocation rules) and that OGP should adopt a sliding scale for minimum contributions using the (World Bank) income categorization as follows: \$200,000 per year of high-income countries, \$100,000 per year for middle income countries and \$50,000 per year for low income countries. Moreover, members resolved to also consider requesting contributions from participating countries not on the Steering Committee. Members are expelled from the Steering Committee if dues are not paid. Membership fees are recognized as revenue in the applicable membership period and are recorded net of an allowance for amounts estimated by management that are not expected to be collected.

***Grants and Contributions***

Contributions are recognized at their fair value when the donor makes an unconditional promise to give to the Project. All donor-restricted contributions are reported as increases in temporarily net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The organization has a conditional promise to give in the amount of \$400,000 from one donor.

Revenue from government and foundation grants may be recognized as a contribution or an exchange transaction, based on a determination of whether there is a reciprocal agreement with certain deliverables entered into with a third party. If the grant is determined to be an exchange transaction, then revenue is recognized as the related services are provided. Payments under such transactions are often on a cost-reimbursement basis.

***Functional Expense Allocation***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenses applicable to more than one program or activity have been allocated among the programs and supporting services based on usage and management estimates.

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December 31, 2013

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**2. Summary of Significant Accounting Policies, continued**

***Depreciation***

Fixed assets are tangible items of value that belong to a project. These items include office furniture and equipment (telephone systems, computer/server equipment, and laptops). Major improvements made to the project's rented premises are called "leasehold improvements," and are also considered fixed assets. Fixed assets are subject to capitalization and systematic allocation through the depreciation method over the life of the assets. All items with a cost of \$5,000 or greater with an expected useful life of greater than one year are capitalized. General office equipment and furniture is recorded at cost and depreciated straight-line over a five-year period. Computer equipment is recorded at cost and depreciated straight-line over a three-year period. Major maintenance, repairs, and minor renewals are expensed as incurred.

Depreciation expense for the year ended December 31, 2013 was \$1,106.

**3. Temporarily Restricted Net Assets**

Temporarily restricted net assets are held for the following purposes at December 31, 2013:

Future periods	<u><u>\$ 1,500,000</u></u>
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Net assets were released from donor restrictions as follows for the year ended December 31, 2013:

Time elapsing	<u><u>\$ 1,340,000</u></u>
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**4. Concentrations**

For the period ended December 31, 2013, four donors represented 67% of total support.

**5. Lease Obligations**

As of December 31, 2013, future minimum payments under operating leases for office space that have initial or noncancelable lease terms in excess of one year aggregate \$61,943 and are payable as follows:

2014	\$ 48,360
2015	<u>13,583</u>
	<u><u>\$ 61,943</u></u>

Rent expense for the year ended December 31, 2013 totaled \$40,768.

Continued

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**6. Subsequent Events**

The Project evaluated subsequent events for recognition and disclosure through July 23, 2014, the date this statement of activities and changes in net assets were available to be issued. The Project has determined there were no material subsequent events that required recognition or disclosure.