



Report of Independent Auditors and  
Statement of Activities and Changes in Net Assets

**Open Government Partnership  
(a project of Tides Center)**

December 31, 2014

**MOSS-ADAMS<sub>LLP</sub>**

Certified Public Accountants | Business Consultants

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## REPORT OF INDEPENDENT AUDITORS

Open Government Partnership (a project of Tides Center)

### **Report on Financial Statement**

We have audited the accompanying statement of activities and changes in net assets of Open Government Partnership (a project of Tides Center) (the "Project") for the year ended December 31, 2014, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of the 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 the 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 financial statement referred to in the first paragraph presents fairly, in all material respects, the statement of activities and changes in net assets of Open Government Partnership (a project of Tides Center) for the year ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.



San Francisco, California  
September 17, 2015

**FINANCIAL STATEMENT**

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**OPEN GOVERNMENT PARTNERSHIP  
(A PROJECT OF TIDES CENTER)  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
Year Ended December 31, 2014**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Government grants - U.S. federal and local governments	\$ 221,223	\$ -	\$ 221,223
Government grants - foreign governments	645,169	-	645,169
Government contributions	1,054,920	-	1,054,920
Foundations grants	-	2,399,650	2,399,650
Other	143,885	-	143,885
Net assets released from restrictions	<u>3,049,650</u>	<u>(3,049,650)</u>	<u>-</u>
Total revenues	<u>5,114,847</u>	<u>(650,000)</u>	<u>4,464,847</u>
Expenses:			
Program services	<u>2,073,769</u>	<u>-</u>	<u>2,073,769</u>
Supporting services:			
Management and general	<u>942,781</u>	<u>-</u>	<u>942,781</u>
Total expenses	<u>3,016,550</u>	<u>-</u>	<u>3,016,550</u>
Change in net assets	2,098,297	(650,000)	1,448,297
Net assets, beginning of year	<u>1,216,708</u>	<u>1,500,000</u>	<u>2,716,708</u>
Net assets, end of year	<u><u>\$ 3,315,005</u></u>	<u><u>\$ 850,000</u></u>	<u><u>\$ 4,165,005</u></u>

*See accompanying notes.*

**OPEN GOVERNMENT PARTNERSHIP  
(A PROJECT OF TIDES CENTER)  
NOTES TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
December 31, 2014**

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**NOTE 1 – DESCRIPTION OF PROJECT**

Open Government Partnership (OGP) was formed in 2011. OGP is a voluntary, multi-stakeholder international initiative that aims to secure concrete commitments from governments to their citizens 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 11 national governments and 11 civil society representatives. Representatives are appointed to three-year terms by their respective constituencies (either through a vote of all participating OGP governments or through the decision of a selection committee).

OGP receives contributions from participating governments, foundations and bilateral development agencies. 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.

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.

**NOTE 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 ("GAAP").

The Project reports information regarding its net assets and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. As of December 31, 2014, the Project did not have any permanently restricted net assets.

**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. Net assets were released from donor restrictions for the year ended December 31, 2014, in the amount of \$3,049,650. At December 31, 2014, temporarily restricted net assets of \$850,000 are held for future periods due to time restrictions.

**Use of estimates** – In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Government contributions** – The Steering Committee of OGP resolved that all government members of the Steering Committee should contribute annually to the OGP budget, that these contributions 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 for high-income countries, \$100,000 per year for middle income countries and \$50,000 per year for low income countries. Moreover, members resolved to request contributions from participating countries not on the Steering Committee. According to the OGP Articles of Governance, Steering Committee members are not permitted to run for reelection if they do not contribute. These contributions are recognized as revenue in the applicable period and are recorded net of an allowance for amounts estimated by management that are not expected to be collected. For the year ended December 31, 2014, there was no allowance recorded.

**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.

**OPEN GOVERNMENT PARTNERSHIP  
(A PROJECT OF TIDES CENTER)  
NOTES TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
December 31, 2014**

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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. As of December 31, 2014 there were no fundraising expenses.

**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, 2014, was \$1,106.

**NOTE 3 – CONCENTRATIONS**

For the year ended December 31, 2014, two donors represented 54% of total support. Government contributions represented 24% of support.

**NOTE 4 – LEASE OBLIGATIONS**

As of December 31, 2014, future minimum payments under operating leases for office space that have initial or noncancelable lease terms in excess of one year are \$13,583 and are payable by December 31, 2015.

**NOTE 5 – GRANT FUNDING**

**Government Grants - United States** – Grant and Contribution revenue from the United States Agency for International Development (USAID) for the year ended December 31, 2014, was \$221,223. Total expenses incurred as of December 31, 2014, for USAID grant was \$221,223.

**Government Grants - Foreign** – Grants and contributions from foreign agencies are measured in British Pound. The financial statements are presented in U.S. dollars. For reporting purposes, revenue and expenses associated with foreign agency grants are disclosed in U.S. dollar and British Pound.

Grant and contribution revenue from the Department for International Development (DfID) for the year ended December 31, 2014, were \$419,636 (£260,000). Total Expenses incurred as of December 31, 2014, for the DfID grant were \$419,636 (£260,000).

Grant and contribution revenue from the Foreign Commonwealth Office of the United Kingdom (FCO) for the year ended December 31, 2014, were \$225,533 (£140,960). Total Expenses incurred as of December 31, 2014, for the FCO grant were \$225,533 (£140,960).

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**NOTE 6 - SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the financial statement date, but before the financial statement is issued. The Project recognizes in the financial statement the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of activities and changes in net assets, including the estimates inherent in the process of preparing the financial statement.

The Project has evaluated subsequent events through September 17, 2015, which is the date the financial statement was available to be issued.