

CONSOLIDATED FINANCIAL STATEMENTS



OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND OPEN GOVERNMENT PARTNERSHIP EUROPE

**FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2020**

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Open Government Partnership Secretariat
Open Government Partnership Europe
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of Open Government Partnership Secretariat and Open Government Partnership Europe (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021, and the consolidated change in its net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Consolidated 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 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 the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Consolidated 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, including omissions, 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Information Included in the Organization's Annual Report

Management is responsible for the other information included in the Organization's annual report. The other information comprises the Budget and Finances Report, including a schedule of total revenue and a schedule of functional expenses, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on page 17, the Consolidating Schedule of Activities and Changes in Net Assets on page 18, the Schedules of Expenses - Foreign, Commonwealth and Development Office on pages 19 and 20 and the Schedules of Revenue and Expenses - Swedish International Development Cooperation Agency on pages 21 - 22 are presented for purposes of additional analysis and are not a required part of the consolidated 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 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.

Gelman Rosenberg & Freedman

June 17, 2022

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

ASSETS		<u>2021</u>	<u>2020</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	9,352,149	\$ 5,918,396
Investments		2,000,380	2,000,177
Grants and contributions receivable		1,317,997	1,865,902
Accounts receivable		762,596	56,101
Prepaid expenses		<u>85,463</u>	<u>72,715</u>
Total current assets		<u>13,518,585</u>	<u>9,913,291</u>
FIXED ASSETS			
Website		222,400	222,400
Less: Accumulated amortization		<u>(190,733)</u>	<u>(122,000)</u>
Net fixed assets		<u>31,667</u>	<u>100,400</u>
OTHER ASSETS			
Deposits		147,516	139,268
Grants receivable, net of current portion and discount		<u>50,000</u>	<u>200,000</u>
Total other assets		<u>197,516</u>	<u>339,268</u>
TOTAL ASSETS	\$	<u>13,747,768</u>	\$ <u>10,352,959</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Loans payable	\$	737,300	\$ 638,478
Accounts payable and accrued liabilities		418,734	250,238
Accrued salaries and related benefits		471,703	529,738
Refundable advances		<u>1,306,654</u>	<u>1,102,025</u>
Total liabilities		<u>2,934,391</u>	<u>2,520,479</u>
NET ASSETS			
Without donor restrictions		10,016,606	5,303,825
With donor restrictions		<u>796,771</u>	<u>2,528,655</u>
Total net assets		<u>10,813,377</u>	<u>7,832,480</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>13,747,768</u>	\$ <u>10,352,959</u>

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	<u>2021</u>			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUE AND SUPPORT				
Foundation grants	\$ 4,771,600	\$ 300,000	\$ 5,071,600	\$ 4,157,253
Foreign and U.S. government grants	6,252,764	-	6,252,764	4,065,153
Country contributions	2,828,710	86,771	2,915,481	2,579,338
Other contributions	90,807	-	90,807	45,300
Investment income, net	769	-	769	177
Gain on currency translation	15,605	-	15,605	51,815
Net assets released from donor restrictions	<u>2,118,655</u>	<u>(2,118,655)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>16,078,910</u>	<u>(1,731,884)</u>	<u>14,347,026</u>	<u>10,899,036</u>
EXPENSES				
Program Services:				
Country Support	4,081,719	-	4,081,719	3,095,817
Global and Steering Committee	2,477,195	-	2,477,195	1,283,865
Independent Reporting Mechanism	1,503,497	-	1,503,497	1,860,036
Learning and Innovation	1,057,823	-	1,057,823	1,098,227
Communications	994,263	-	994,263	954,165
Analytics and Insights	<u>795,334</u>	<u>-</u>	<u>795,334</u>	<u>600,491</u>
Total program services	<u>10,909,831</u>	<u>-</u>	<u>10,909,831</u>	<u>8,892,601</u>
Supporting Services:				
Development	124,367	-	124,367	153,750
General and Administrative	<u>970,409</u>	<u>-</u>	<u>970,409</u>	<u>928,645</u>
Total supporting services	<u>1,094,776</u>	<u>-</u>	<u>1,094,776</u>	<u>1,082,395</u>
Total expenses	<u>12,004,607</u>	<u>-</u>	<u>12,004,607</u>	<u>9,974,996</u>
Change in net assets before other item	4,074,303	(1,731,884)	2,342,419	924,040
OTHER ITEM				
Forgiveness of debt	<u>638,478</u>	<u>-</u>	<u>638,478</u>	<u>-</u>
Change in net assets after other item	4,712,781	(1,731,884)	2,980,897	924,040
Net assets at beginning of year	<u>5,303,825</u>	<u>2,528,655</u>	<u>7,832,480</u>	<u>6,908,440</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,016,606</u>	<u>\$ 796,771</u>	<u>\$ 10,813,377</u>	<u>\$ 7,832,480</u>

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021						
	Program Services						
	Country Support	Global and Steering Committee	Independent Reporting Mechanism	Learning and Innovation	Communications	Analytics and Insights	Total Program Services
Salary, taxes and benefits - US based	\$ 667,431	\$ 1,074,690	\$ 739,913	\$ 444,194	\$ 624,190	\$ 629,807	\$ 4,180,225
Staff recruitment and development	1,237	612	596	455	405	342	3,647
Professional fees	480,574	264,370	484,926	576,237	276,251	144,058	2,226,416
Professional services - international staff	2,585,429	66,679	239,366	70	51,954	53	2,943,551
Facilities	39,944	13,426	12,064	9,037	8,050	6,794	89,315
Travel, meetings and events	11,807	1,023,582	3,005	5,679	428	286	1,044,787
Dues and subscriptions	20,177	13,120	9,070	9,668	22,836	5,520	80,391
Grants and awards	240,278	-	-	-	-	-	240,278
Insurance	7,544	3,731	3,633	2,771	2,468	2,083	22,230
Miscellaneous expense	431	1,104	316	273	122	102	2,348
Supplies	10,204	7,411	3,804	3,913	2,874	2,389	30,595
Copying and printing	4	679	2	1	64	1	751
Postage and delivery	340	682	21	354	14	12	1,423
Credit, banking and other fees	6,055	2,033	1,837	1,401	1,248	1,053	13,627
Amortization	10,264	5,076	4,944	3,770	3,359	2,834	30,247
TOTAL	\$ 4,081,719	\$ 2,477,195	\$ 1,503,497	\$ 1,057,823	\$ 994,263	\$ 795,334	\$ 10,909,831

See accompanying notes to consolidated financial statements.

OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020

	2021 (Continued)			2020	
	Supporting Services				
	Development	General and Administrative	Total Supporting Services	Total Expenses	Total Expenses
Salary, taxes and benefits - US based	\$ 111,115	\$ 539,569	\$ 650,684	\$ 4,830,909	\$ 4,798,155
Staff recruitment and development	54	4,585	4,639	8,286	57,046
Professional fees	3,983	154,311	158,294	2,384,710	1,834,116
Professional services - international staff	6,055	703	6,758	2,950,309	2,402,747
Facilities	1,062	91,190	92,252	181,567	298,508
Travel, meetings and events	28	2,420	2,448	1,047,235	242,798
Dues and subscriptions	805	69,106	69,911	150,302	133,601
Grants and awards	-	-	-	240,278	50,000
Insurance	326	27,960	28,286	50,516	33,627
Miscellaneous expense	16	1,377	1,393	3,741	2,285
Supplies	313	26,832	27,145	57,740	23,476
Copying and printing	-	14	14	765	1,088
Postage and delivery	2	162	164	1,587	412
Credit, banking and other fees	165	14,137	14,302	27,929	23,004
Amortization	443	38,043	38,486	68,733	74,133
TOTAL	\$ 124,367	\$ 970,409	\$ 1,094,776	\$ 12,004,607	\$ 9,974,996

See accompanying notes to consolidated financial statements.

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,980,897	\$ 924,040
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	68,733	74,133
Change in discount on long-term receivables	-	(11,159)
Forgiveness of debt	(638,478)	-
Decrease (increase) in:		
Grants and contributions receivable	697,905	1,626,319
Accounts receivable	(706,495)	38,896
Prepaid expenses	(12,748)	32,944
Deposits	(8,248)	(12,670)
Increase (decrease) in:		
Accounts payable and accrued liabilities	168,496	(86,208)
Accrued salaries and related benefits	(58,035)	83,740
Deferred revenue	-	1,102,025
Refundable advances	<u>204,629</u>	<u>-</u>
Net cash provided by operating activities	<u>2,696,656</u>	<u>3,772,060</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<u>(203)</u>	<u>(2,000,177)</u>
Net cash used by investing activities	<u>(203)</u>	<u>(2,000,177)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>737,300</u>	<u>638,478</u>
Net cash provided by financing activities	<u>737,300</u>	<u>638,478</u>
Net increase in cash and cash equivalents	3,433,753	2,410,361
Cash and cash equivalents at beginning of year	<u>5,918,396</u>	<u>3,508,035</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 9,352,149</u>	<u>\$ 5,918,396</u>

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Open Government Partnership Secretariat (OGP) is a non-profit organization, incorporated and located in the District of Columbia. OGP brings together government reformers and civil society leaders to create action plans that make governments more inclusive, responsive and accountable. OGP formally launched on September 20, 2011, when the 8 founding governments (Brazil, Indonesia, Mexico, Norway, the Philippines, South Africa, the United Kingdom and the United States) endorsed the Open Government Declaration and announced their country action plans. Seventy-eight countries and 76 local governments – representing more than two billion people—along with thousands of civil society organizations are now members of the Open Government Partnership.

Open Government Partnership Europe (OGP Europe) is a private foundation incorporated and located in Brussels, Belgium. OGP Europe was incorporated in May 2019 with the intent to contribute to the fulfillment of OGP's mission, as well to secure concrete commitments from governments to their citizenry to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. Beginning in May 2019, the financial activity of OGP Europe is included in the consolidated financial statements for the year ended December 31, 2019.

Basis of presentation -

The accompanying consolidated financial statements represent the activity of Open Government Partnership Secretariat (OGP) and Open Government Partnership Europe (OGP Europe) (collectively, the Organization) pursuant to the criterion established by FASB ASC 958-810, Not-for-Profit Entities Consolidation. Under FASB ASC 958-810, consolidation is required if a separate not-for-profit organization has control (i.e., major voting interest) and significant economic interest in that other organization. The financial statements have been consolidated as Open Government Partnership Secretariat controls Open Government Partnership Europe. All intercompany transactions have been eliminated in consolidation.

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions.

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

At December 31, 2021, the Organization had \$1,325,921 of cash and cash equivalents held at a financial institution in a foreign country to support operations in that country. The majority of funds held in foreign countries is uninsured.

Receivables -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Grants and contributions that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in foundation grants revenue. Conditional promises to give are not included as support until the conditions are substantially met. All grants and contributions receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are amortized on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Fixed assets currently consist of website implementation. The cost of maintenance and repairs is recorded as expenses are incurred. Amortization expense for the year ended December 31, 2021 totaled \$68,733.

Income taxes -

OGP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. OGP is not a private foundation.

OGP Europe is registered as a not-for profit entity under Belgian Law. Accordingly, OGP Europe is exempt from paying income taxes if the costs meet the entity's stated mission.

Uncertain tax positions -

For the year ended December 31, 2021, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Revenue -

Grants and contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Grants or contributions qualifying as conditional contributions contain a right of return from obligation provision that limits the Organization on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Most grant awards from foreign governments and the United States Government are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are therefore recognized as contributions when the revenue becomes unconditional. The Organization recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For grants treated as contributions, the Organization had approximately \$7,865,400 in unrecognized conditional contributions as of December 31, 2021. The revenue related to these awards is conditioned on incurring allowable expenditures under the terms of the related Foreign Government or United States Government grant agreements.

Foreign currency translation -

The U.S. Dollar is the functional currency for the Organization's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction.

Use of estimates -

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets.

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Functional allocation of expenses -

Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

New accounting pronouncements not yet adopted -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

The Organization plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption methods and the impact of the new standards on its accompanying consolidated financial statements.

2. INVESTMENTS

Investments consisted of the following as of December 31, 2021:

	<u>Fair Value</u>
Money Market Funds	<u>\$ 2,000,380</u>

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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OPEN GOVERNMENT PARTNERSHIP EUROPE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. INVESTMENTS (Continued)

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used or transfers between levels as of December 31, 2021.

Money Market Funds - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.

The table below summarizes, by level within the fair value hierarchy, the Organization's investments as of December 31, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Funds	\$ <u>2,000,380</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,000,380</u>

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

The Organization has received written promises to give in which \$1,367,997 remained outstanding as of December 31, 2021. Grants and contributions are due as follows at December 31, 2021:

Less than one year	\$ 1,317,997
One to five years	<u>50,000</u>
 NET GRANTS AND CONTRIBUTIONS RECEIVABLE	 \$ <u>1,367,997</u>

4. LOANS PAYABLE

On May 6, 2020 the Organization received loan proceeds in the amount of \$638,478 under the Paycheck Protection Program (PPP). The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. The Organization used the proceeds for purposes consistent with the Paycheck Protection Program and received forgiveness in full on March 26, 2021. Accordingly, the Organization recorded income from forgiveness of debt, which is recorded on the accompanying Consolidated Statement of Activities and Change in Net Assets as an "Other Item".

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

4. LOAN PAYABLE (Continued)

On March 26, 2021, the Organization received loan proceeds in the amount of \$737,300 under the Paycheck Protection Program (PPP). The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first ten months, or until forgiveness is determined by the Small Business Administration (SBA). Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the SBA in whole or in part. The loan has since been subsequently forgiven, refer to Footnote 9. The Organization will record forgiveness of debt in the next fiscal year.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2021:

Purpose Restrictions:	
Core Institutional Strengthening	\$ 210,000
Justice	300,000
Subject to Passage of Time	<u>286,771</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 796,771</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose Restrictions Accomplished:	
Core Institutional Strengthening	\$ 210,000
OGP Evaluation	318,655
Timing Restrictions Accomplished	<u>1,590,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 2,118,655</u>

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 9,352,149
Investments	2,000,380
Accounts receivable	762,596
Grants and contributions receivable	<u>1,317,997</u>
Subtotal financial assets	13,433,122
Less: Amounts unavailable for general expenditures within one year due to donor restrictions	<u>(460,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 12,973,122</u>

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

7. LEASE COMMITMENTS

OGP entered into an office space agreement in Washington, D.C. that commenced on April 1, 2019 and was set to expire on March 31, 2020. The base rent was \$26,768 per month.

In April 2020, OGP signed a new lease agreement for the same office space, effective April 1, 2020 and expiring on March 31, 2022. Base rent under this agreement was \$27,592 per month.

Beginning in September 2020, base rent was reduced to \$7,240. OGP terminated the lease effective March 31, 2021. In April 2021, OGP signed a new lease agreement for the same office space, effective April 1, 2021 and expiring March 31, 2024. Base rent under this agreement is \$9,365 per month.

OGP Europe entered into an office space agreement in Brussels, Belgium that commenced on December 1, 2019 and will expire on November 30, 2024. Base rent under this agreement is approximately \$1,350 per month. OGP Europe also leases office space in Germany on a month-to-month basis.

The following is a schedule of the future minimum lease payments:

Year Ending December 31,

2022	\$ 150,867
2023	143,486
2024	<u>56,609</u>
	<u>\$ 350,962</u>

Rent expense, including other facility costs, for the year ended December 31, 2021 totaled \$181,567.

8. RETIREMENT PLAN

The Organization provides retirement benefits to its employees through a defined contribution plan covering all full-time employees. For U.S. based employees, the Organization provides a 100% match of each eligible employee's contribution up to the first 4% of compensation and 50% of the next 2% of compensation with one month of eligible experience. Contributions to the Plan during the year ended December 31, 2021 totaled \$167,343. For Europe based employees, the Organization provides a contribution of 4% to 15.6% of compensation. Contributions to the Plan during the year ended December 31, 2021 totaled \$43,480.

9. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 17, 2022, the date the consolidated financial statements were issued.

On May 4, 2022 the Organization received forgiveness in full on their Paycheck Protection Program (PPP) loan in the amount of \$737,300. There is no further obligation due in regard to this loan.

On March 30, 2022 the Board of Directors approved a change in the Organization's fiscal year from December 31 to March 31. This change will be effective for the year ended March 31, 2023.

SUPPLEMENTAL INFORMATION

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021**

	ASSETS			
	OGP Secretariat	OGP Europe	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 8,026,228	\$ 1,325,921	\$ -	\$ 9,352,149
Investments	2,000,380	-	-	2,000,380
Grants and contributions receivable	1,317,997	-	-	1,317,997
Accounts receivable	762,596	-	-	762,596
Due from OGP Europe	22,800	-	(22,800)	-
Prepaid expenses	85,463	-	-	85,463
Total current assets	<u>12,215,464</u>	<u>1,325,921</u>	<u>(22,800)</u>	<u>13,518,585</u>
FIXED ASSETS				
Website	222,400	-	-	222,400
Less: Accumulated amortization	(190,733)	-	-	(190,733)
Net fixed assets	<u>31,667</u>	<u>-</u>	<u>-</u>	<u>31,667</u>
OTHER ASSETS				
Deposits	128,415	19,101	-	147,516
Grants receivable, net of current portion	50,000	-	-	50,000
Total other assets	<u>178,415</u>	<u>19,101</u>	<u>-</u>	<u>197,516</u>
TOTAL ASSETS	<u>\$ 12,425,546</u>	<u>\$ 1,345,022</u>	<u>\$ (22,800)</u>	<u>\$ 13,747,768</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Loans payable	\$ 737,300	\$ -	\$ -	\$ 737,300
Accounts payable and accrued liabilities	374,260	44,474	-	418,734
Accrued salaries and related benefits	376,233	95,470	-	471,703
Due to OGP	-	22,800	(22,800)	-
Refundable advances	109,267	1,197,387	-	1,306,654
Total liabilities	<u>1,597,060</u>	<u>1,360,131</u>	<u>(22,800)</u>	<u>2,934,391</u>
NET ASSETS				
Without donor restrictions	10,031,715	(15,109)	-	10,016,606
With donor restrictions	796,771	-	-	796,771
Total net assets	<u>10,828,486</u>	<u>(15,109)</u>	<u>-</u>	<u>10,813,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,425,546</u>	<u>\$ 1,345,022</u>	<u>\$ (22,800)</u>	<u>\$ 13,747,768</u>

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	OGP SECRETARIAT			OGP EUROPE			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUE AND SUPPORT								
Foundation grants	\$ 4,771,600	\$ 300,000	\$ 5,071,600	\$ -	\$ -	\$ -	\$ -	\$ 5,071,600
Foreign and U.S. government grants	5,819,952	-	5,819,952	432,812	-	432,812	-	6,252,764
Country contributions	2,828,710	86,771	2,915,481	-	-	-	-	2,915,481
Other contributions	90,807	-	90,807	1,190,071	-	1,190,071	(1,190,071)	90,807
Investment income, net	769	-	769	-	-	-	-	769
Gain on currency translation	14,007	-	14,007	1,598	-	1,598	-	15,605
Net assets released from donor restrictions	2,118,655	(2,118,655)	-	-	-	-	-	-
Total revenue and support	15,644,500	(1,731,884)	13,912,616	1,624,481	-	1,624,481	(1,190,071)	14,347,026
EXPENSES								
Program Services:								
Country Support	3,756,696	-	3,756,696	1,515,094	-	1,515,094	(1,190,071)	4,081,719
Global and Steering Committee	2,469,649	-	2,469,649	7,546	-	7,546	-	2,477,195
Independent Reporting Mechanism	1,387,133	-	1,387,133	116,364	-	116,364	-	1,503,497
Learning and Innovation	1,057,823	-	1,057,823	-	-	-	-	1,057,823
Communications	942,372	-	942,372	51,891	-	51,891	-	994,263
Analytics and Insights	795,334	-	795,334	-	-	-	-	795,334
Total program services	10,409,007	-	10,409,007	1,690,895	-	1,690,895	(1,190,071)	10,909,831
Supporting Services:								
Development	124,367	-	124,367	-	-	-	-	124,367
General and Administrative	928,671	-	928,671	41,738	-	41,738	-	970,409
Total supporting services	1,053,038	-	1,053,038	41,738	-	41,738	-	1,094,776
Total expenses	11,462,045	-	11,462,045	1,732,633	-	1,732,633	(1,190,071)	12,004,607
Change in net assets before other item	4,182,455	(1,731,884)	2,450,571	(108,152)	-	(108,152)	-	2,342,419
OTHER ITEM								
Forgiveness of debt	638,478	-	638,478	-	-	-	-	638,478
Change in net assets after other item	4,820,933	(1,731,884)	3,089,049	(108,152)	-	(108,152)	-	2,980,897
Net assets at beginning of year	5,210,782	2,528,655	7,739,437	93,043	-	93,043	-	7,832,480
NET ASSETS AT END OF YEAR	\$ 10,031,715	\$ 796,771	\$ 10,828,486	\$ (15,109)	\$ -	\$ (15,109)	\$ -	\$ 10,813,377

OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE

SCHEDULE OF EXPENSES -
FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE
FOR THE YEAR ENDED DECEMBER 31, 2021

	State of Open Government Report
Salaries and benefits - US based	\$ 939,592
Salaries and benefits - International Staff	628,043
Professional fees - Consultants	444,722
Grants and Awards	<u>83,738</u>
Total direct expenses	2,096,095
Overhead allocation	<u>209,610</u>
TOTAL	<u><u>\$ 2,305,705</u></u>

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**SCHEDULE OF EXPENSES -
FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Support Unit	State of Open Government Report	Total Expenses
Salaries and benefits - US based	\$ 959,915	\$ 58,655	\$ 1,018,570
Professional services - International staff	736,870	-	736,870
Professional fees - Consultants	25,233	-	25,233
Travel, meetings and events expenses	3,787	-	3,787
Other expenses	90	-	90
Total direct expenses	1,725,895	58,655	1,784,550
Overhead allocation	172,589	5,866	178,455
TOTAL	\$ 1,898,484	\$ 64,521	\$ 1,963,005

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**SCHEDULE OF REVENUE AND EXPENSES -
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Total Revenue (SEK)</u>	<u>Core Grant (USD)</u>	<u>Afghan Mission (USD)</u>	<u>Total Revenue (USD)</u>
Foreign government grants	SEK 22,400,000	\$ 1,751,958	\$ 815,317	\$ 2,567,275
TOTAL	SEK 22,400,000	\$ 1,751,958	\$ 815,317	\$ 2,567,275
		<u>Core Grant (USD)</u>	<u>Afghan Mission (USD)</u>	<u>Total Expenses (USD)</u>
Salaries and benefits - US based		\$ 863,012	\$ -	\$ 863,012
Salaries and benefits - International staff		729,677	-	729,677
Charter flight and coordination		-	705,000	705,000
Coordination of legal support and social services		-	110,317	110,317
Total direct expenses		1,592,689	815,317	2,408,006
Overhead allocation		159,269	-	159,269
TOTAL		\$ 1,751,958	\$ 815,317	\$ 2,567,275

In fiscal year 2021, OGPS did not spend any funds from the Sida grant in a country ineligible for Office Development Assistance, as defined by the OECD.

In fiscal year 2021, OGPS did not forward any funds from the SIDA grant to implementing partners.

In fiscal year 2021, OGPS did not use any SIDA funds toward the reserves.

**OPEN GOVERNMENT PARTNERSHIP SECRETARIAT AND
OPEN GOVERNMENT PARTNERSHIP EUROPE**

**SCHEDULE OF REVENUE AND EXPENSES -
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Total Revenue (SEK)	Total Revenue (USD)
Foreign government grants	SEK 15,000,000	\$ 1,655,175
Gain of currency translation	-	13,676
TOTAL	SEK 15,000,000	\$ 1,668,851
		Total Expenses (USD)
Salaries and benefits - US based		\$ 1,172,157
Professional services - International staff		344,980
Total direct expenses		1,517,137
Overhead allocation		151,714
TOTAL		\$ 1,668,851

In fiscal year 2020, OGPS did not spend any funds from the Sida grant in a country ineligible for Office Development Assistance, as defined by the OECD.

In fiscal year 2020, OGPS did not forward any funds from the SIDA grant to implementing partners.