



**Statement of Cash Receipts and  
Expenditures for the  
Financial Transparency Coalition**

**Third Sector New England, Inc.**

**For the Year Ended December 31, 2017**



**THIRD SECTOR NEW ENGLAND, INC.**

***Statement of Cash Receipts and Expenditures for  
the Financial Transparency Coalition***

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## *Independent Auditors' Report*

Board of Directors  
Third Sector New England, Inc.  
Boston, Massachusetts

### **Report on the Statement of Cash Receipts and Expenditures for the Financial Transparency Coalition**

We have audited the accompanying statement of cash receipts and expenditures for the Financial Transparency Coalition (the "Statement") program of Third Sector New England, Inc. ("TSNE"), and the related notes to the Statement for the year ended December 31, 2017.

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

Management is responsible for the preparation and fair presentation of this Statement in accordance with the cash receipts and expenditures basis of accounting described in Note 2; this includes determining that the cash receipts and expenditures basis of accounting is an acceptable basis for the preparation of this Statement in the circumstances, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on this Statement 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 Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, 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 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.

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 referred to above presents fairly, in all material respects, the cash receipts and expenditures of the Financial Transparency Coalition program of TSNE for the year ended December 31, 2017 in accordance with the cash receipts and expenditures basis of accounting described in Note 2.

### ***Basis of Accounting and Restriction on Distribution and Use***

We draw attention to Note 2 to the Statement, which describes the basis of accounting. The Statement is presented to provide information regarding the funding sources and use of funds of the Financial Transparency Coalition program of TSNE. As a result, the Statement may not be suitable for another purpose. This report is intended solely for the information and use of the board of directors, the funders of the Financial Transparency Coalition, and TSNE and is not intended to be, and should not be used or distributed to anyone other than these specified parties. Our opinion is not modified with respect to this matter.

*Mayer Hoffman McCann P.C.*

June 27, 2018  
Boston, Massachusetts

**THIRD SECTOR NEW ENGLAND, INC.**

***Statement of Cash Receipts and Expenditures for  
the Financial Transparency Coalition***

***For the Year Ended December 31, 2017***

Receipts:	
Grant income	\$ 1,292,451
Other income	1,809
<b>Total receipts</b>	<b><u>1,294,260</u></b>
Expenses:	
Grants and awards	905,829
Salaries and benefits	374,610
Travel and meetings	307,985
Consultants and stipends	182,655
Rent	48,474
Miscellaneous	25,734
Office supplies and administrative expenses	12,696
Overhead	141,322
<b>Total expenses</b>	<b><u>1,999,305</u></b>
<b>Expenses in excess of cash receipts</b>	<b>(705,045)</b>
Unspent funds, beginning of year	<u>1,471,192</u>
<b>Unspent funds, end of year</b>	<b><u>\$ 766,147</u></b>

## **THIRD SECTOR NEW ENGLAND, INC.**

### ***Notes to Statement of Cash Receipts and Expenditures for the Financial Transparency Coalition***

***For the Year Ended December 31, 2017***

#### ***Note 1 - Organization and Nature of Activities***

The Center for International Policy, Inc. received a grant from funders of the Financial Transparency Coalition program for 2015 through 2017. This grant is a renewal of the previous grant for the years 2012, 2013 and 2014 and includes all carryover amounts from the initial grant. The grant period covered by this audit is the year ended December 31, 2017. The grant is for the Center for International Policy, Inc.'s project work for the Financial Transparency Coalition. The Center for International Policy received major funding from the Norwegian Ministry of Foreign Affairs, Foundation to Promote Open Society, The William and Flora Hewlett Foundation, the Ministry for Foreign Affairs of Finland, and Omidyar Network Fund, Inc. Effective October 1, 2016, the Financial Transparency Coalition program (the "Program") and its operations were transferred from the Center for International Policy to Third Sector New England, Inc. ("TSNE") and was to be administered by TSNE from that date forward. During 2018, the grant was extended through December 31, 2018 with no option to further extend the grant, and at which time any unspent funds will be remitted back to the funders of the grant.

TSNE is a nonprofit corporation, which offers programs and provides services for nonprofit organizations, foundations and other capacity builders involved in community activities. TSNE's mission is to provide information and services to build the knowledge, power and effectiveness of nonprofit organizations that engage people in community and public life and to promote wider recognition of community-based organizations as the primary stewards of societal values. Operations include the NonProfit Center, fiscal sponsorship, consulting services and grant making programs. TSNE's Fiscal Sponsorship program forms partnerships with community coalitions and grassroots organizations whose purposes are consistent with TSNE's mission. These partnerships combine TSNE's financial management and administrative expertise with the subject-matter knowledge of the community partner in furtherance of the mutual purposes.

#### ***Note 2 - Summary of Significant Accounting Policies***

##### ***Basis of Accounting***

The accompanying statement of cash receipts and expenditures for the Financial Transparency Coalition ("the Statement") is presented on the cash basis of accounting for receipts, and allowable expenses incurred by the Program have been prepared using the accrual basis of accounting in accordance with the contractual guidelines required by the funder for the Financial Transparency Coalition. Because the Statement presents only a selected portion of the operations of TSNE, it is not intended to and does not present the financial position, results of operations or cash flows of TSNE.

##### ***Allocation of Expenditures***

Expenditures are recorded to the project based on actual costs incurred in accordance with the budget as approved by the Financial Transparency Coalition. As the various grants given to the Financial Transparency Coalition may support particular projects within the Program, expenditures allocated to the Financial Transparency Coalition are based upon the specific identification of costs to the Financial Transparency Coalition's various projects, with the exception of fringe benefits and indirect costs (overhead). These costs are allocated based upon a reasonable allocation of cost utilizing the following methods: fringe benefits are allocated based on direct labor costs at rates of up to 23% for full time employees and 8.8% for part time employees labor costs through June 20, 2017 and 8.5% thereafter, and indirect costs are allocated based on rates between 5% and 10% of total direct costs. Indirect costs associated with Norwegian Ministry of Foreign Affairs funded projects are allocated using a rate of 7%.