Statement of Cash Receipts and Expenditures for the Financial Transparency Coalition

Third Sector New England, Inc. D/B/A TSNE MissionWorks

For the Year Ended December 31, 2018
THIRD SECTOR NEW ENGLAND, INC.  
D/B/A TSNE MissionWorks

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”) D/B/A TSNE MissionWorks, and the related notes to the Statement for the year ended December 31, 2018.

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, 2018 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.

Mayhew Hoffman McCann P.C.

April 30, 2019
Boston, Massachusetts
THIRD SECTOR NEW ENGLAND, INC.
D/B/A TSNE MissionWorks

Statement of Cash Receipts and Expenditures for the Financial Transparency Coalition

For the Year Ended December 31, 2018

Receipts:
Grant income $ 829,885

Expenses:
Grants and awards 998,587
Salaries and benefits 256,691
Travel and meetings 130,882
Consultants and stipends 12,657
Miscellaneous 9,716
Office supplies and administrative expenses 6,817
Overhead 91,605
Total expenses 1,506,955

Expenses in excess of cash receipts (677,070)

Unspent funds, beginning of year 766,147

Unspent funds, end of year $ 89,077

Note 1 - Organization and Nature of Activities

The grant period covered by this audit is the year ended December 31, 2018. The grant is for a Third Sector New England, Inc. ("TSNE") D/B/A TSNE MissionWorks project work for the Financial Transparency Coalition. TSNE received major funding from the Norwegian Ministry of Foreign Affairs ("NMFA"), Foundation to Promote Open Society, The William and Flora Hewlett Foundation, The Ford Foundation, and Omidyar Network Fund, Inc. During 2018, the NMFA funding for this grant was extended through December 31, 2018 with no option to further extend the grant. Generally, grant agreements require any unspent funds to be returned to the funder at the end of the grant period. At December 31, 2018, there were no unspent funds related to the NMFA grant as all such funds were fully expended during 2018. The remaining unspent funds as of December 31, 2018 are from the remaining other funders as noted above.

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).
Note 2 - Summary of Significant Accounting Policies (Continued)

Allocation of Expenditures (Continued)

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 direct labor costs through June 30, 2018 and thereafter, 21.5% for full-time employees and 8.1% for part-time employees, 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%.