



**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, 2019



**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

Opinion

We have audited the accompanying statement of cash receipts and expenditures for the Financial Transparency Coalition program of Third Sector New England, Inc. ("TSNE") D/B/A TSNE MissionWorks, for the year ended December 31, 2019 and the notes to the statement of cash receipts and expenditures, including a summary of significant accounting policies (together the "Statement").

In our opinion, the Statement 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, 2019 in accordance with the basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statement* section of this report. We are independent of the Financial Transparency Coalition program of TSNE in accordance with the ethical requirements that are relevant to our audit of the Statement in the United States of America, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - 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 prepared to assist management to meet the reporting requirements of the Financial Transparency Coalition program. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Board of Directors and management of TSNE, the Financial Transparency Coalition program of TSNE and for filing with the Norwegian Agency for Development Cooperation and should not be distributed to or used by anyone other than these specified parties. Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation and fair presentation of this Statement in accordance with the 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 such internal controls as management determines is necessary to enable the preparation of a Statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Financial Transparency Coalition program of TSNE's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 of the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Maya Heyman McCann P.C.

May 12, 2020
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, 2019

Receipts:		
Grant income - NORAD	\$	555,392
Grant income - other		809,000
Total grant income		<u>1,364,392</u>
Expenses:		
Grants and awards		1,052,210
Salaries and benefits		239,186
Travel and meetings		129,858
Professional fees and services		12,044
Office supplies and expenses		7,415
Overhead		91,462
Total expenses		<u>1,532,175</u>
Expenses in excess of cash receipts		(167,783)
Unspent funds, beginning of year		<u>89,077</u>
Overspent funds, end of year	\$	<u><u>(78,706)</u></u>

**THIRD SECTOR NEW ENGLAND, INC.
D/B/A TSNE MissionWorks**

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

For the Year Ended December 31, 2019

Note 1 - Organization and Nature of Activities

The Financial Transparency Coalition (“FTC”) is a global network of civil society, governments and experts who work to curtail illicit financial flows through the promotion of a transparent, accountable and sustainable financial system that better serves for financing development. The FTC is a fiscally sponsored organization of Third Sector New England, Inc. (“TSNE”) D/B/A TSNE MissionWorks. The grants received are for TSNE’s project work for the Financial Transparency Coalition. TSNE received major funding from the Norwegian Agency for Development Cooperation (“NORAD”), Foundation to Promote Open Society, The William and Flora Hewlett Foundation, The Ford Foundation, and Omidyar Network Fund, Inc. Generally, grant agreements require any unspent funds to be returned to the funder at the end of the grant period. At December 31, 2019, there were no unspent funds related to the NORAD grant or to grants from the other funders as all funds were fully expended during 2019. The grant period covered by this audit is the year ended December 31, 2019.

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.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying statement of cash receipts and expenditures for the Financial Transparency Coalition of TSNE (the “Statement”) presents cash received from grantors during the period and allowable expenses incurred by the Program using the accrual basis of accounting in accordance with the contractual guidelines required by the funder for the Financial Transparency Coalition. The primary differences between accounting standards generally accepted in the United States of America and the basis of accounting for the Program is that while expenses are reported on the accrual basis of accounting, revenue is reported when received by the Program on the cash basis of accounting. 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 charged to the project based on actual costs incurred in accordance with the approved budget. Grants to the program may support particular projects within the overall activities reported in the Statement with those costs being charged based upon the specific element within the overall project reported within the Statement. Fringe benefits and overhead are charged as indicated below.

**THIRD SECTOR NEW ENGLAND, INC.
D/B/A TSNE MissionWorks**

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

For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Allocation of Expenditures (Continued)

Fringe benefits were charged based on direct labor costs at rates of 21.5% to 24% for full-time employees and 8.1% to 8.9% for part-time employees based on rates computed for the first half and the second half of the year. Indirect cost allocations are stipulated by each individual grant agreement. Indirect costs associated with NORAD-funded projects are allocated using a rate of 7% and indirect costs for all other funding sources are allocated using rates between 5% and 10%, as stipulated by those individual grant agreements.

Note 3 - Subsequent Events

Management evaluated subsequent events through May 12, 2020, the date the Statement was issued. Except as discussed below, there were no material subsequent events that required recognition or additional disclosure in this Statement.

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a pandemic. As of the date of issuance of the Statement, the operations of the Financial Transparency Coalition program of TSNE have not been significantly impacted, however, management continues to monitor the situation. The program is dependent on continued support from its funders; and, while the results of operations, cash flow receipts and expenditures and cash balance could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.