



**Financial Statements,
Supplemental Information and
Reports Required Under
Government Auditing Standards
and the Uniform Guidance**

Third Sector New England, Inc.

June 30, 2022 and 2021



THIRD SECTOR NEW ENGLAND, INC.

Financial Statements, Supplemental Information and Reports Required Under Government Auditing Standards and the Uniform Guidance

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Third Sector New England, Inc. ("TSNE"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TSNE as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TSNE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TSNE's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 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 financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 TSNE'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TSNE'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 on our consideration of TSNE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TSNE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TSNE's internal control over financial reporting and compliance.

Mayer Hoffman McCann P.C.

Boston, Massachusetts
December 13, 2022

THIRD SECTOR NEW ENGLAND, INC.

Statements of Financial Position

	June 30,	
	2022	2021
Assets		
Cash and cash equivalents	\$ 60,836,836	\$ 49,215,442
Assets limited as to use	447,634	442,256
Contributions and grants, net (allowance for doubtful accounts of \$62,738 for 2022 and 2021)	26,592,582	21,265,636
Royalty fees receivable	1,468,158	972,105
Prepaid expenses and deposits	1,180,475	870,958
Investments	34,275,565	35,602,905
Interest rate swap asset	391,182	-
Property and equipment, net	19,694,828	20,693,109
Total assets	\$ 144,887,260	\$ 129,062,411
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 6,417,702	\$ 6,252,038
Deferred revenue	1,747,764	1,517,482
Debt	12,091,361	12,807,778
Interest rate swap obligation	-	629,687
Total liabilities	20,256,827	21,206,985
Net assets:		
Without donor restrictions	34,279,392	35,275,777
With donor restrictions:		
Donor restricted for TSNE operations	612,584	816,767
Donor restricted to fiscally sponsored programs	89,738,457	71,762,882
Total net assets with donor restrictions	90,351,041	72,579,649
Total net assets	124,630,433	107,855,426
Total liabilities and net assets	\$ 144,887,260	\$ 129,062,411

THIRD SECTOR NEW ENGLAND, INC.

Statement of Activities

Year Ended June 30, 2022
(with comparative totals for 2021)

	2022				2021	
	TSNE Without Donor Restrictions	Fiscally Sponsored Programs Without Donor Restrictions	Total Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue:						
Contributions and grants - fiscally sponsored programs	\$ -	\$ -	\$ -	\$ 60,929,172	\$ 60,929,172	\$ 62,631,704
Other contributions and grants	6,369	-	6,369	507,028	513,397	1,377,442
Federal grants	-	1,996,863	1,996,863	-	1,996,863	1,455,760
Royalty income	2,752,987	-	2,752,987	-	2,752,987	1,579,394
Contract revenue	642,924	8,852,559	9,495,483	-	9,495,483	7,620,104
Conference revenue	131,423	1,020,986	1,152,409	-	1,152,409	217,575
Membership dues	-	162,764	162,764	-	162,764	684,083
Rental income	3,451,615	942	3,452,557	-	3,452,557	3,123,668
Other income	121,422	101,424	222,846	-	222,846	793,231
Net assets released from restrictions	711,211	42,953,597	43,664,808	(43,664,808)	-	-
Total revenue	7,817,951	55,089,135	62,907,086	17,771,392	80,678,478	79,482,961
Program expenses:						
Fiscally sponsored programs	-	50,938,638	50,938,638	-	50,938,638	51,899,899
Consulting and training services	1,684,032	-	1,684,032	-	1,684,032	1,564,882
NonProfit Centers	2,876,690	-	2,876,690	-	2,876,690	2,796,205
Administrative and general	3,409,617	4,716,286	8,125,903	-	8,125,903	7,566,209
Total expenses	7,970,339	55,654,924	63,625,263	-	63,625,263	63,827,195
Change in net assets from operations	(152,388)	(565,789)	(718,177)	17,771,392	17,053,215	15,655,766
Nonoperating:						
Investment income, net of fees	317,458	85,077	402,535	-	402,535	291,024
Net realized and unrealized gain (loss) on investments	(2,182,324)	480,712	(1,701,612)	-	(1,701,612)	4,859,301
Change in fair value of interest rate swap obligation	1,020,869	-	1,020,869	-	1,020,869	592,649
Change in net assets from nonoperating activities	(843,997)	565,789	(278,208)	-	(278,208)	5,742,974
Total changes in net assets	(996,385)	-	(996,385)	17,771,392	16,775,007	21,398,740
Net assets, beginning	35,275,777	-	35,275,777	72,579,649	107,855,426	86,456,686
Net assets, ending	\$ 34,279,392	\$ -	\$ 34,279,392	\$ 90,351,041	\$ 124,630,433	\$ 107,855,426

See accompanying notes to the financial statements.

THIRD SECTOR NEW ENGLAND, INC.

Statement of Activities

Year Ended June 30, 2021

	<i>TSNE Without Donor Restrictions</i>	<i>Fiscally Sponsored Programs Without Donor Restrictions</i>	<i>Total Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Revenue:					
Contributions and grants - fiscally sponsored programs	\$ -	\$ -	\$ -	\$ 62,631,704	\$ 62,631,704
Other contributions and grants	50,431	-	50,431	1,327,011	1,377,442
Federal grants	-	1,455,760	1,455,760	-	1,455,760
Royalty income	1,579,394	-	1,579,394	-	1,579,394
Contract revenue	550,248	7,069,856	7,620,104	-	7,620,104
Conference revenue	44,437	173,138	217,575	-	217,575
Membership dues	-	684,083	684,083	-	684,083
Rental income	3,118,999	4,669	3,123,668	-	3,123,668
Other income	646,678	146,553	793,231	-	793,231
Net assets released from restrictions	697,161	47,007,088	47,704,249	(47,704,249)	-
Total revenue	6,687,348	56,541,147	63,228,495	16,254,466	79,482,961
Program expenses:					
Fiscally sponsored programs	-	51,899,899	51,899,899	-	51,899,899
Consulting and training services	1,564,882	-	1,564,882	-	1,564,882
NonProfit Centers	2,796,205	-	2,796,205	-	2,796,205
Administrative and general	2,924,961	4,641,248	7,566,209	-	7,566,209
Total expenses	7,286,048	56,541,147	63,827,195	-	63,827,195
Change in net assets from operations	(598,700)	-	(598,700)	16,254,466	15,655,766
Nonoperating:					
Investment income, net of fees	291,024	-	291,024	-	291,024
Net realized and unrealized gain on investments	4,859,301	-	4,859,301	-	4,859,301
Change in fair value of interest rate swap obligation	592,649	-	592,649	-	592,649
Change in net assets from nonoperating activities	5,742,974	-	5,742,974	-	5,742,974
Total changes in net assets	5,144,274	-	5,144,274	16,254,466	21,398,740
Net assets, beginning	30,131,503	-	30,131,503	56,325,183	86,456,686
Net assets, ending	\$ 35,275,777	\$ -	\$ 35,275,777	\$ 72,579,649	\$ 107,855,426

See accompanying notes to the financial statements.

THIRD SECTOR NEW ENGLAND, INC.

Statement of Functional Expenses

Year Ended June 30, 2022
(with comparative totals for 2021)

	2022				2021	
	Fiscally Sponsored Programs	Consulting and Training Services	NonProfit Centers	Administrative and General	Total Expenses	Total Expenses
Salaries and wages	\$ 21,373,121	\$ 986,375	\$ 576,928	\$ 4,952,501	\$ 27,888,925	\$ 26,562,377
Employee benefits	4,950,999	239,090	140,528	1,197,836	6,528,453	6,687,357
Grants, awards, contributions	7,898,752	138,000	-	3,770	8,040,522	9,338,450
Professional fees	11,835,667	291,174	12,759	449,543	12,589,143	13,366,799
Legal and accounting	62,802	-	-	441,220	504,022	488,132
Program expense	790,814	16,834	4,529	5,861	818,038	867,040
Occupancy	844,761	-	268,021	37,576	1,150,358	1,214,190
Copying and printing	170,052	-	-	-	170,052	170,701
Conference and meeting expense	768,850	2,086	3,206	11,326	785,468	203,041
Travel expense	332,154	2,185	261	9,036	343,636	172,606
Postage and supplies	544,930	2,074	25,876	506,425	1,079,305	988,332
Telecommunication expense	412,474	1,429	26,310	59,214	499,427	665,499
Insurance	33,193	-	-	284,960	318,153	315,350
Facility expense	-	-	475,781	2,418	478,199	415,710
Equipment	7,775	-	17,784	-	25,559	329,600
Depreciation and amortization	489,202	-	921,694	77,989	1,488,885	1,241,505
Other expenses	404,632	4,785	72,628	86,228	568,273	446,602
Interest expense	18,460	-	330,385	-	348,845	353,904
Allocated indirect cost	4,716,286	-	-	(4,716,286)	-	-
Total expenses	\$ 55,654,924	\$ 1,684,032	\$ 2,876,690	\$ 3,409,617	\$ 63,625,263	\$ 63,827,195

See accompanying notes to the financial statements.

THIRD SECTOR NEW ENGLAND, INC.

Statement of Functional Expenses

Year Ended June 30, 2021

	<i>Fiscally Sponsored Programs</i>	<i>Consulting and Training Services</i>	<i>NonProfit Centers</i>	<i>Administrative and General</i>	<i>Total Expenses</i>
Salaries and wages	\$ 20,689,697	\$ 1,011,544	\$ 529,752	\$ 4,331,384	\$ 26,562,377
Employee benefits	5,183,677	213,749	111,002	1,178,929	6,687,357
Grants, awards, contributions	9,329,377	-	-	9,073	9,338,450
Professional fees	12,245,066	317,342	55,580	748,811	13,366,799
Legal and accounting	81,703	-	-	406,429	488,132
Program expense	843,747	16,523	165	6,605	867,040
Occupancy	948,151	-	233,890	32,149	1,214,190
Copying and printing	170,369	-	-	332	170,701
Conference and meeting expense	197,781	1,637	1,462	2,161	203,041
Travel expense	168,092	711	849	2,954	172,606
Postage and supplies	541,067	3,042	5,279	438,944	988,332
Telecommunication expense	573,061	312	30,505	61,621	665,499
Insurance	35,593	-	54,040	225,717	315,350
Facility expense	-	-	414,046	1,664	415,710
Equipment	288,092	-	8,076	33,432	329,600
Depreciation and amortization	243,166	-	936,936	61,403	1,241,505
Other expenses	351,380	22	70,599	24,601	446,602
Interest expense	9,880	-	344,024	-	353,904
Allocated indirect cost	4,641,248	-	-	(4,641,248)	-
Total expenses	\$ 56,541,147	\$ 1,564,882	\$ 2,796,205	\$ 2,924,961	\$ 63,827,195

See accompanying notes to the financial statements.

THIRD SECTOR NEW ENGLAND, INC.

Statements of Cash Flows

	Years Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ <u>16,775,007</u>	\$ <u>21,398,740</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,488,885	1,241,505
Loss on disposal of property and equipment	-	293,019
Non-cash transfer in of private company stock	-	(8,472,420)
Net realized and unrealized loss (gain) on investments	1,701,612	(4,859,301)
Change in fair value of interest rate swap	(1,020,869)	(592,649)
Change in:		
Contributions, grants and notes receivable	(5,326,946)	(1,176,698)
Royalty fees receivable	(496,053)	219,612
Prepaid expenses and deposits	(343,781)	106,347
Accounts payable and accrued expenses	258,215	259,137
Deferred revenue	<u>230,282</u>	<u>(2,614,266)</u>
Total adjustments	<u>(3,508,655)</u>	<u>(15,595,714)</u>
Net cash provided by operating activities	<u>13,266,352</u>	<u>5,803,026</u>
Cash flows from investing activities:		
Proceeds from sale of investments	23,689,595	12,714,152
Purchase of investments	(24,063,867)	(13,005,178)
Change in assets limited as to use	(5,378)	68,044
Purchase of property and equipment	<u>(522,269)</u>	<u>(2,456,656)</u>
Net cash used in investing activities	<u>(901,919)</u>	<u>(2,679,638)</u>
Cash flows from financing activities:		
Payments on bond payable	(743,039)	(479,401)
Proceeds from note payable	-	1,199,491
Payment for debt issuance costs	<u>-</u>	<u>(33,558)</u>
Cash provided by (used in) financing activities	<u>(743,039)</u>	<u>686,532</u>
Net increase in cash and cash equivalents	11,621,394	3,809,920
Cash, cash equivalents and restricted cash, beginning	<u>49,215,442</u>	<u>45,405,522</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 60,836,836</u>	<u>\$ 49,215,442</u>

See accompanying notes to the financial statements.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 1 - Nature of Operations

Third Sector New England, Inc. ("TSNE") is a nonprofit corporation headquartered in Boston, Massachusetts. TSNE operates in 36 states, and 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. Our services include property management, consulting and training services, and fiscal sponsorship.

Through fiscal sponsorship services, TSNE provides a legal umbrella and support services for more than 55 small to midsize 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 organization in furtherance of societal good. TSNE also operates the NonProfit Center in Boston, the state's first mission-based, multi-tenant center providing stable rents and collaborative opportunities for progressive social change organizations. The NonProfit Center also provides meeting space and training programs to over 50 tenant organizations and the general nonprofit community. TSNE's consulting and training services provides general consulting services including organizational development and strategic planning, interim executive director placements, executive transition and search, and leadership and training programs for hundreds of local nonprofits.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Operating and Nonoperating Activity

The statements of activities include both operating and nonoperating activities. Revenues and expenses incurred in conducting the programs and services of TSNE are presented in the financial statements as operating activities. Investment returns and changes in the fair value of interest rate swap receivables/obligations are presented in the financial statements as nonoperating activities.

Cash and Cash Equivalents

TSNE considers all highly liquid debt instruments, bank deposits and other such accounts with an original maturity of three months or less to be cash equivalents. These amounts are recorded at cost plus an accrued interest. TSNE monitors its exposure associated with cash and cash equivalents given that amounts at times exceed federally insured limits and has not experienced any losses in such accounts. Cash equivalents transferred to investment managers are considered part of investments.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Cash and cash equivalents consist of the following for the years ended June 30:

	2022	2021
Fiscally sponsored organizations	\$ 58,107,392	\$ 45,786,236
TSNE operating cash	<u>2,729,444</u>	<u>3,429,206</u>
Total cash and cash equivalents	<u>\$ 60,836,836</u>	<u>\$ 49,215,442</u>

Assets Limited as to Use

Assets limited as to use consists of the microloan fund and cash with other programmatic restrictions. The funds are primarily held in certificates of deposit with maturities longer than three months on the date of purchase. These funds are primarily pledged as collateral against loans made by various banks to New England farmers as part of the fiscally sponsored project. This project is funded by third parties and an offsetting liability is reported in accounts payable and accrued expenses in the accompanying statements of financial position. Certain other smaller amounts are also held within this category.

Contributions and Grants Receivable

Contributions and grants receivable represent unconditional contributions verifiably committed by donors that are scheduled for payment in the future. They are initially recorded at fair value using Level 2 inputs as described later in this section. Contributions and grants receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows utilizing a risk-adjusted discount rate.

Contributions and grants receivable are carried at original recorded amount less an estimate made for doubtful accounts based on a monthly review of all outstanding amounts. Management determines potential allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

Royalty Income and Receivable

TSNE owns certain intellectual property rights that it licensed to two pharmaceutical companies. The royalty income resulting from these licensing agreements is shared among individual inventors, the Commonwealth of Massachusetts and TSNE. Royalty fees receivable represents royalty income earned but unpaid at year end. Royalty income is paid quarterly in accordance with the various royalty agreements.

Investments

Investments are carried at fair value consistent with the fair value policies described below.

Investment income reported in the statement of activities consists of interest and dividend income less external and direct internal investment management expenses. Investment returns are reported as revenue based on the fair value of such investments at year end. Such returns are recorded as increase in net assets without donor restrictions.

Fair Value Measurements

TSNE reports certain financial assets and liabilities in accordance with the fair value standards of accounting. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Items reported at fair value on a recurring basis include investments and interest rate swap obligation. Non-recurring measurements include items such as the initial recording of long-term grant receivables.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that TSNE has the ability to access at measurement date.
- Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.
- Level 3 – inputs are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions. In addition, Level 3 valuations incorporate assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

Property and Equipment

Property and equipment acquisitions are recorded at cost when the useful life is over one year and such amounts are equal to or greater than a management established threshold. Depreciation of property and equipment is provided by the straight-line method over the following estimated useful lives:

Building	20 - 40 years
Building and land improvements	10 - 40 years
Furnishings and equipment	3 - 10 years
Software	5 years
Tenant improvements	Shorter of useful life or lease term

Expenditures for major renewals and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred.

Interest Rate Swap

The fair value of interest rate swaps is recorded at each period end as either an asset or a liability, based on the estimated value of the contract at year end. Fair value is determined as per the fair value policies as described previously in this section. The change in the fair value is reflected as nonoperating activity.

Tax Status

TSNE is recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal and state income taxes on related income. Accordingly, no provision for income taxes is made in the financial statements.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

Uncertain Tax Positions

TSNE accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. TSNE has identified its tax status as a tax exempt entity and its treatment of revenue as related and unrelated income as its only tax positions; however, TSNE has determined that such tax positions do not result in an uncertainty requiring recognition. TSNE is not currently under examination by any taxing jurisdictions.

TSNE’s federal and state tax returns are generally open for examination for three years following the date filed.

Net Assets

The accompanying financial statements present information regarding TSNE’s financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified and reported as follows:

- *Net assets without donor restrictions* represent the portion of net assets that are available for general use and not subject to donor restrictions. Net assets without donor restrictions also includes amounts invested in property and equipment, net of related debt.
- *Net assets with donor restrictions* represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of TSNE pursuant to those stipulations. The majority of donor-restricted net assets relate to contributions and grants for Fiscally Sponsored Programs. Revenues resulting from the operation of each Fiscally Sponsored Program by agreement are restricted to that organization’s use and cannot be redirected to other areas of the organization. TSNE does not have any donor restrictions that are perpetual in nature whereby the donor has stipulated the funds must be maintained in perpetuity.

Expenses are reported as decreases in net assets without donor restrictions.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Deferred Revenue

TSNE has both earned revenues and contribution support which follow accounting practices as follows:

Earned Revenues

Earned revenues follow a principles-based process to assess and determine revenue recognition. This includes: 1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied.

Contract revenue is recorded as earned as the services are performed and billed based on the terms of the contracts. Contract revenue can be earned over time or at a point in time depending on certain factors within the arrangement. Conference revenue is recognized when the conference occurs. Royalty income is recognized when earned. Rental income is recognized as billed to tenants with no adjustment to recognize the effect of free or reduced rent periods. Membership dues revenue is earned over time when membership benefits are provided to its members.

For the years ended June 30, 2022 and 2021, TSNE recognized approximately \$6,914,000 and \$4,402,000 of revenue over time and \$6,649,000 and \$5,340,000 at a point in time, respectively, in accordance with the current accounting standards.

Contributed Support

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions.

Contributions and grants, including unconditional promises to give, are recognized as revenues in the period verifiably committed. Contributions of assets other than cash are recorded at fair value at the original date of recognition using fair value methods as described elsewhere in these notes. Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. Contributions are reflected as with or without donor restrictions based on the existence or absence of donor restrictions. Amounts received with donor-imposed restrictions that are recorded as donor-restricted revenues are reclassified to without donor restriction net assets when the time or purpose restriction has been satisfied. Amortization of the discount is included in contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. At times, grants and contributions that are received for fiscally sponsored programs are redirected to other not-for-profit organizations when these programs leave TSNE administration with such change being reflected as a contra revenue account in the statement of activities.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Deferred Revenue (Continued)

Contributed Support (Continued)

Grants and contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the without donor restrictions net assets class with the exception of those grants and contributions for fiscally sponsored programs which are reflected as donor restricted revenue to fiscally sponsored programs when recorded. Grants and contributions received for which donor-imposed restrictions will be met in future periods are recorded as donor restricted and are released from restrictions as conditions are met.

Contribution revenue earned on cost-reimbursement grants is recognized as related costs are incurred as revenue without donor restrictions, unless if for a fiscally sponsored program, in which case the revenue would be classified as being with donor restrictions. Revenue on such grants is recognized when the barrier to entitlement is met which generally is indicated via the incurring of allowable costs under the grant agreement. Funds received in excess of amounts that TSNE is entitled to are recognized as deferred revenue. Unbilled receivables represent expenditures in excess of amounts billed under contracts, grants and special funds.

Fundraising Expenses

Included in expenses for fiscally sponsored programs are approximately \$1,620,000 and \$1,324,000 of fundraising expenses for the years ended June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expense by function. Generally, TSNE classifies expense to functional areas based on direct charges to each function with limited allocations to functional areas as described below. The Fiscally Sponsored Programs functional area represents all activities performed by our community organizations. The allocation of indirect cost from Administrative and General to Fiscally Sponsored Programs is based on the agreements for services provided between the parties. Consulting and Training Services represents the capacity building services provided to other nonprofit organizations. NonProfit Centers includes all the activity associated with Operating the Boston NonProfit Center and other community nonprofit centers. The Administrative and General functional area represents all the audit, payroll, accounting, grant management and human resource expenses.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements Pending Adoption

In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases*, which requires a lessee to recognize a right-of-use asset and a lease liability for all leases, initially measured at the present value of the lease payments, in its statement of financial position. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal year 2023. TSNE is evaluating the impact of the new guidance of this and other pending standards on the financial statements.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), management is required to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications were made to the 2021 amounts to conform to the 2022 presentation. Total assets, net assets, and changes in net assets remained unchanged from the amounts reported in the 2021 financial statements.

Note 3 - Liquidity and Availability

TSNE monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. TSNE has various sources of liquidity at its disposal, including cash, cash equivalents and marketable securities. All TSNE investments are held in marketable securities which can be redeemed on a daily basis to address liquidity if needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, TSNE considers all expenditures related to its ongoing activities of conducting its programs and services to nonprofit organizations as expenditures incurred to support those activities to be general expenditures.

As part of liquidity management, TSNE has obtained a \$2,000,000 line of credit from T.D. Bank in August 2021.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 3 - Liquidity and Availability (Continued)

The following tables show the total financial assets held by TSNE and its fiscally sponsored programs and the amounts of those financial assets available within one year of the balance sheet date to meet general expenditures as of June 30:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 60,836,836	\$ 49,215,442
Assets limited as to use	447,634	442,256
Contributions and grants receivable, net	26,592,582	21,265,636
Royalty fees receivable	1,468,158	972,105
Investments	<u>34,275,565</u>	<u>35,602,905</u>
Total financial assets at year end	<u>\$ 123,620,775</u>	<u>\$ 107,498,344</u>
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	\$ 59,491,634	\$ 47,737,271
Contributions and grants receivable without restrictions due in one year or less	20,728,975	13,476,931
Royalty fees receivable	1,468,158	972,105
Investments	<u>34,275,565</u>	<u>27,130,485</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 115,964,332</u>	<u>\$ 89,316,792</u>

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 4 - Contributions, Grants and Accounts Receivable

Contributions, grants and accounts receivable consist of the following for the years ended June 30:

	2022	2021
Contributions and grants receivable:		
Due in one year or less	\$ 15,968,298	\$ 10,023,413
Between one year and five years	<u>6,132,389</u>	<u>7,893,263</u>
	22,100,687	17,916,676
Accounts receivable	4,760,677	3,453,518
Less: discount for present value	(206,044)	(41,820)
Less: allowance for doubtful accounts	<u>(62,738)</u>	<u>(62,738)</u>
Contributions, grants and accounts receivable, net	<u>\$ 26,592,582</u>	<u>\$ 21,265,636</u>

Accounts receivable consists of approximately 30% and 16% from one grantor at June 30, 2022 and 2021, respectively.

Unbilled receivables were \$3,689,051 and \$2,702,514 at June 30, 2022 and 2021, respectively.

Conditional contributions were approximately \$13,288,000 and \$8,406,000 at June 30, 2022 and 2021, respectively. Conditions can include items such as incurring specified allowable expenses in accordance with a framework of allowable costs or other performance related barriers.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 5 - Investments

The following is a summary of investments at June 30:

	<i>Fair Value Hierarchy</i>	2022		2021
Investments:				
Cash equivalents	Level 1	\$ 1,683,837	\$	233,464
Common stock mutual funds - domestic	Level 1	12,218,333		13,347,857
Common stock mutual funds - international	Level 1	1,038,316		913,335
Equity mutual funds	Level 1	-		1,584,521
U.S. treasuries	Level 2	10,493,407		516,000
Agency securities	Level 2	-		60,438
Corporate bonds	Level 2	8,111,870		9,667,070
Municipal bonds	Level 2	729,802		807,800
		<u>34,275,565</u>		<u>27,130,485</u>
Total assets at fair value		34,275,565		27,130,485
Private company equity securities	N/A	-		8,472,420
		<u>-</u>		<u>8,472,420</u>
Total investments		\$ 34,275,565	\$	35,602,905

The private company equity securities represented shares of the stock of a private company. This investment was initially recorded at fair value using Level 3 valuation inputs that included EBITDA multiples ranging from 9.75x to 10.25x and a marketability discount of 50%. As permitted by GAAP since this investment did not have a readily determinable fair value on a recurring basis, TSNE has elected to measure the investment at cost/contributed value and evaluate for impairment each year. On February 22, 2022, TSNE sold the stock for \$8,943,110, resulting in a realized gain on the sale of \$470,690 during the year ended June 30, 2022.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 6 - Property and Equipment

The following is a summary of property and equipment at June 30:

	2022	2021
Land	\$ 5,576,737	\$ 5,576,737
Building	9,845,637	9,845,637
Building improvements	17,027,476	16,882,863
Furnishings and equipment	880,915	796,523
Software	1,125,264	976,979
Construction in progress	<u>74,370</u>	<u>45,826</u>
	34,530,399	34,124,565
Less accumulated depreciation	<u>(14,835,571)</u>	<u>(13,431,456)</u>
Property and equipment, net	<u>\$ 19,694,828</u>	<u>\$ 20,693,109</u>

Depreciation expense was approximately \$1,428,000 and \$1,186,000 for the years ended June 30, 2022 and 2021, respectively. Included in accounts payable and accrued expenses was approximately \$39,000 and \$131,000 at June 30, 2022 and 2021, respectively, of unpaid property and equipment additions.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 7 - Debt

Bond payable consists of the following at June 30:

	2022	2021
<p>TD Bank 2010 Series A direct placement (amended and restated on February 1, 2020), Massachusetts Development Finance Agency Revenue Bond due February 1, 2040, interest rate equal to 81.5% * 1.35% plus one month LIBOR (2.50% and 1.16% at June 30, 2022 and 2021, respectively), with an adjustment due on November 1, 2029, principal and interest are paid monthly, secured by land and building and collateralized by assignments of rents and leases. The bond is subject to certain financial and non-financial covenants.</p>	\$ 11,430,068	\$ 11,923,107
<p>Note payable to TD Bank due January 15, 2024, interest rate of 1.25% with interest due monthly and principal due annually, secured by land and building and collateralized by assignments of rents and leases. The bond is subject to certain financial and non-financial covenants.</p>	<u>949,491</u> 12,379,559	<u>1,199,491</u> 13,122,598
<p>Less debt issuance costs</p>	<u>(288,198)</u>	<u>(314,820)</u>
<p>Debt, net</p>	<u>\$ 12,091,361</u>	<u>\$ 12,807,778</u>

Maturities of debt are as follows:

2023	\$ 1,057,066
2024	920,163
2025	536,304
2026	551,562
2027	567,253
Thereafter	<u>8,747,211</u>
	<u>\$ 12,379,559</u>

Debt issuance costs are capitalized and amortized on the straight-line basis over the life of the debt. At June 30, 2022 and 2021, bond issuance costs totaled \$460,211, net of accumulated amortization of \$172,013 and \$145,391 at June 30, 2022 and 2021, respectively. Amortization expense amounted to \$26,600 and \$21,000 for the years ended June 30, 2022 and 2021, respectively, and debt issuance costs were \$0 and \$33,558 for the years ended June 30, 2022 and 2021, respectively.

Interest expense, net of interest rate swap settlements, related to the above debt amounted to \$348,845 and \$353,904 for the years ended June 30, 2022 and 2021, respectively.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 7 - Debt (Continued)

In August 2021, TSNE obtained a \$2,000,000 demand line of credit from TD Bank. Interest is computed at an interest rate of LIBOR plus 1.50% (2.95% at June 30, 2022). There are currently no outstanding borrowings under this line of credit as of June 30, 2022.

Note 8 - Derivative Instruments

TSNE uses an interest rate swap to manage interest rate risk exposure. TSNE's interest rate swap mitigates exposure to interest rate risk, primarily through converting its variable rate debt under the bond agreement to a fixed rate basis. This agreement involves the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amounts. TSNE does not enter into derivative instruments for trading or speculative purposes. The fair value of the swap is considered to be a Level 2 fair value measurement.

As a result of the use of the swap agreement, TSNE is exposed to risk that the counterparty will fail to meet their contractual obligation. To mitigate the counterparty risk, TSNE only enters into contracts with selected major financial institutions based upon their credit ratings and other factors, and continually assesses the creditworthiness of counterparties. At June 30, 2022, the counterparty to TSNE's interest rate swap had investment grade ratings. To date, the counterparty has performed in accordance with their contractual obligation. The current swap contains no credit risk-related contingent features nor does the swap contain provisions under which TSNE has, or would be required, to post collateral.

TSNE had the following interest rate swap asset (liability) outstanding at June 30:

<i>Date</i>	<i>Remaining Notional Amount</i>	<i>Termination Date</i>	<i>Interest Rate Received</i>	<i>Interest Rate Paid</i>	<i>Fair Value</i>
6/30/2022	\$ 11,430,068	8/01/2029	81% * 1.35% + one month LIBOR	2.770%	\$ 391,182
6/30/2021	\$ 11,923,107	8/01/2029	81% * 1.35% + one month LIBOR	2.770%	\$ (629,687)

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 9 - Operating Leases

TSNE occupies office space and leases office equipment under various operating leases and tenant-at-will agreements through November 2027. Certain of the leases contain provisions for the pass through of increases in operating costs. Total rent expense under lease agreements, including month-to-month leases, was \$750,288 and \$870,753 for the years ended June 30, 2022 and 2021, respectively.

Total future minimum lease payments for the years ending June 30 are as follows:

2023	\$	490,251
2024		243,752
2025		125,182
2026		12,917
2027		17,917
Thereafter		<u>8,333</u>
	\$	<u><u>898,352</u></u>

Note 10 - Rental Income

TSNE rents certain office space in the building which it owns and operates to various nonprofit organizations under operating lease agreements that expire through February 2029. Rental income including operating expense escalations charged to tenants amounted to \$3,452,557 and \$3,123,668 for the years ended June 30, 2022 and 2021, respectively.

The following is a schedule of the future minimum lease revenue under the non-cancelable leases for the years ending June 30:

2023	\$	2,897,903
2024		2,171,634
2025		1,577,558
2026		907,563
2027		614,549
Thereafter		<u>787,545</u>
	\$	<u><u>8,956,752</u></u>

Note 11 - Retirement Benefits

TSNE has a qualified defined contribution retirement plan covering all employees with one or more years of service. Employer contributions vary with length of service and can amount up to 10% of total compensation for plan participants. Contributions are discretionary, and thus, TSNE partially suspended 403b matching contributions in 2021. Contributions incurred under the plan were \$1,078,690 and \$742,126 during the years ended June 30, 2022 and 2021, respectively.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 12 - Net Assets

Net assets are comprised of the following at June 30:

Detail of Net Assets	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating funds:			
Undesignated	\$ 26,284,742	\$ -	\$ 26,284,742
Investment in plant (net of related debt and interest rate swap)	7,994,650	-	7,994,650
Donor restricted for fiscally sponsored programs	-	89,738,457	89,738,457
TSNE program support	-	612,584	612,584
	\$ 34,279,392	\$ 90,351,041	\$ 124,630,433

Detail of Net Assets	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating funds:			
Undesignated	\$ 28,020,133	\$ -	\$ 28,020,133
Investment in plant (net of related debt and interest rate swap)	7,255,644	-	7,255,644
Donor restricted for fiscally sponsored programs	-	71,762,882	71,762,882
TSNE program support	-	816,767	816,767
	\$ 35,275,777	\$ 72,579,649	\$ 107,855,426

Releases from donor-restricted net assets represent expenses incurred for the operation of Fiscally Sponsored Programs and certain TSNE operations with donor restrictions.

THIRD SECTOR NEW ENGLAND, INC.

Notes to Financial Statements

Note 13 - Commitments, Contingencies, Risks and Uncertainties

Construction Commitments

TSNE has entered into a contract for a capital construction project with total costs remaining to complete of approximately \$30,897 at June 30, 2022.

Contingencies

TSNE is periodically involved in claims, suits and other legal matters, all of which arise in the normal course of business. Management does not believe that the outcome of any currently pending matters, either individually or in the aggregate, will have a material impact on TSNE's financial position, changes in net assets and cash flows.

TSNE transferred its property at 260 Washington Street in 2020 to the Urban Guild, a not-for-profit entity, resulting in donation expense of \$1,700,825, which is included in nonoperating activities in the accompanying statements of activities. The transfer requires the Urban Guild to use the property for its stated mission and also has certain covenants restricting the sale of the property among other matters through January 29, 2025. If these provisions are not met over that period, a \$1,100,000 note payable to TSNE would be triggered. The note has not been recorded by TSNE due to its conditional nature.

Note 14 - Federal Assistance Associated with COVID-19

Payroll Protection Program Loan

In 2020, TSNE applied for and received a forgivable Paycheck Protection Loan of \$5,902,210 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded during 2020. TSNE follows the grant accounting model relative to the recognition of these funds meaning that grant revenue is recorded as related costs are incurred. Grant revenue was \$0 and \$1,245,963 for the years ended June 30, 2022 and 2021, respectively. Formal forgiveness of the loan was received in June of 2021.

Forward Impact

The COVID-19 pandemic is ongoing and could impact the availability of grant funds and other programmatic support on a forward basis. Events and size of gatherings have impacted consulting, conference, training and space rental revenue; however, new virtual service delivery methods have been implemented. The effects of these matters could impact the future results of operations.

Note 15 - Subsequent Events

TSNE has evaluated subsequent events through December 13, 2022, the date the financial statements were authorized to be issued. There were no subsequent events requiring accounting or disclosure through this period.

Supplemental Information

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	<i>A Way Home - Washington</i>	<i>A Way Home - America</i>	<i>Alliance for Nonprofit Management</i>	<i>The Basics</i>	<i>Blue Butterfly Collaborative</i>	<i>The BUILD Initiative</i>	<i>Building Movement Project</i>
Revenue:							
Contributions	\$ 13,949	\$ -	\$ 1,692	\$ 132,085	\$ 742	\$ -	\$ 165,017
Grants	6,231,220	1,038,040	-	1,283,200	75,100	5,478,086	8,090,825
Federal grants	-	-	-	-	-	-	-
Contract revenue	-	-	-	49,668	65,280	1,500,489	540,060
Conference revenue	-	-	41,988	-	-	654,437	-
Membership dues	-	-	31,932	-	-	-	74,167
Rental income	-	-	-	-	-	-	-
Other income	-	-	-	60,387	-	-	-
Investment income	-	-	-	-	-	-	-
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Total revenue	6,245,169	1,038,040	75,612	1,525,340	141,122	7,633,012	8,870,069
Program expenses:							
Salaries and wages	1,388,361	231,645	22,294	336,709	247,445	2,476,756	1,766,875
Employee benefits	330,429	57,212	5,307	80,137	51,757	596,127	412,816
Grants, awards, contributions	200,304	-	-	-	-	291,397	1,975
Professional fees	881,475	368,654	44,699	146,996	272,012	3,415,178	705,863
Legal and accounting	-	-	-	-	850	-	-
Program expense	21,793	4,219	567	14,416	3,887	22,750	25,409
Occupancy	102,771	13,430	-	7,351	-	-	71,402
Copying and printing	6	-	-	2,330	22	1,303	17,870
Conference and meeting expense	11,000	50	1,938	942	1,128	312,190	15,850
Travel	27,928	1,746	-	13	7,169	18,317	10,648
Postage and supplies	32,298	4,598	12,613	5,405	2,567	23,487	30,514
Telecommunication expense	35,583	3,574	2,265	17,282	2,469	79,411	39,925
Insurance	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	7,775	-
Depreciation and amortization	2,790	1,075	1,000	-	1,176	39,360	1,064
Other expenses	65	278	1,209	898	45	13,681	534
Interest expense	-	-	-	-	-	-	-
Administration fee to TSNE	344,543	75,513	-	82,699	82,674	528,247	279,067
Total expenses	3,379,346	761,994	91,892	695,178	673,201	7,825,979	3,379,812
Change in net assets	2,865,823	276,046	(16,280)	830,162	(532,079)	(192,967)	5,490,257
Net assets, beginning	1,963,537	413,688	87,018	308,155	1,265,395	4,303,000	4,885,152
Net assets, ending	\$ 4,829,360	\$ 689,734	\$ 70,738	\$ 1,138,317	\$ 733,316	\$ 4,110,033	\$ 10,375,409

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	<i>The Carrot Project</i>	<i>Center to Support Immigrant Organizing</i>	<i>Children and Youth Cabinet of RI</i>	<i>Collaborative Health Solutions</i>	<i>Collective Power for Reproductive Justice</i>	<i>Commonwealth Seminar</i>	<i>Community Boat Building</i>
Revenue:							
Contributions	\$ 34,542	\$ 17,759	\$ 5,635	\$ -	\$ 276,072	\$ 9,645	\$ 305,762
Grants	389,791	758,004	744,463	(1,290)	864,035	58,500	222,160
Federal grants	133,750	27,623	611,352	126,877	-	-	-
Contract revenue	907	85,463	232,872	88,000	-	-	38,500
Conference revenue	-	-	-	-	-	3,150	30,910
Membership dues	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	200
Other income	5,565	-	-	-	197	-	14,836
Investment income	-	-	-	-	85,077	-	-
Net realized and unrealized gain on investments	-	-	-	-	480,712	-	-
Total revenue	564,555	888,849	1,594,322	213,587	1,706,093	71,295	612,368
Program expenses:							
Salaries and wages	302,549	167,687	433,903	151,602	602,886	67,267	178,357
Employee benefits	69,809	38,167	108,404	36,082	142,067	14,469	40,293
Grants, awards, contributions	-	292,706	-	-	5,500	-	-
Professional fees	107,027	13,674	671,706	-	376,324	5,000	-
Legal and accounting	-	-	-	-	-	-	-
Program expense	2,330	17,311	16,655	-	14,118	-	27,379
Occupancy	-	12,000	36,892	-	23,749	-	14,753
Copying and printing	413	-	5,964	1,105	19,886	-	-
Conference and meeting expense	2,688	465	6,444	150	24,317	-	1,170
Travel	2,509	1,625	3,520	5,812	26,755	-	1,070
Postage and supplies	6,173	1,436	19,417	363	35,905	-	2,106
Telecommunication expense	7,444	159	6,175	1,951	2,280	-	2,406
Insurance	-	-	-	-	-	-	5,508
Equipment	-	-	-	-	-	-	-
Depreciation and amortization	-	-	3,010	-	-	-	-
Other expenses	9,277	130	2,170	-	3,153	40	283,235
Interest expense	4,412	-	-	-	-	-	-
Administration fee to TSNE	72,048	51,270	140,891	26,286	153,233	8,677	38,248
Total expenses	586,679	596,630	1,455,151	223,351	1,430,173	95,453	594,525
Change in net assets	(22,124)	292,219	139,171	(9,764)	275,920	(24,158)	17,843
Net assets, beginning	286,710	126,813	428,500	106,120	10,919,640	70,849	149,225
Net assets, ending	\$ 264,586	\$ 419,032	\$ 567,671	\$ 96,356	\$ 11,195,560	\$ 46,691	\$ 167,068

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	Community Health Network Area	Community Votes	Constellation Philanthropy	Design Studio for Social Intervention	The Dream Network	Early Care and Education (Policy Equity Group)	Early Childhood Fundors Collaborative
Revenue:							
Contributions	\$ 200	\$ -	\$ 15,000	\$ 350	\$ -	\$ -	\$ 1,203,667
Grants	137,859	100,080	80,000	304,040	35,500	770,000	2,648,200
Federal grants	-	-	-	-	-	-	-
Contract revenue	10,000	-	18,611	267,076	-	-	-
Conference revenue	-	-	-	-	-	-	-
Membership dues	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-
Other income	-	-	-	2,928	-	-	-
Investment income	-	-	-	-	-	-	-
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Total revenue	148,059	100,080	113,611	574,394	35,500	770,000	3,851,867
Program expenses:							
Salaries and wages	42,154	47,435	111,838	318,553	20,405	-	311,674
Employee benefits	3,457	3,890	26,618	69,201	1,672	-	74,072
Grants, awards, contributions	-	41,250	5,000	-	-	-	2,062,910
Professional fees	79,822	963	1,000	126,983	650	607,931	357,981
Legal and accounting	-	-	65	-	-	-	-
Program expense	290	-	-	10,991	7,240	-	887
Occupancy	-	-	-	20,456	-	-	-
Copying and printing	-	136	-	3,104	91	-	782
Conference and meeting expense	1,088	-	519	3,189	889	-	68,703
Travel	115	-	1,419	11,078	150	-	4,391
Postage and supplies	998	304	44	1,788	781	-	5,080
Telecommunication expense	159	-	656	4,800	594	-	6,988
Insurance	-	-	-	-	2,631	-	-
Equipment	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	2,400
Other expenses	2	2	(869)	185	(1,466)	-	9,963
Interest expense	-	-	-	-	-	-	-
Administration fee to TSNE	12,808	13,157	14,629	57,033	4,709	36,476	157,479
Total expenses	140,893	107,137	160,919	627,361	38,346	644,407	3,063,310
Change in net assets	7,166	(7,057)	(47,308)	(52,967)	(2,846)	125,593	788,557
Net assets, beginning	164,711	86,735	47,308	425,322	89,039	980,834	4,093,385
Net assets, ending	\$ 171,877	\$ 79,678	\$ -	\$ 372,355	\$ 86,193	\$ 1,106,427	\$ 4,881,942

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	Early Educator Investment Collaborative	EEIC Project Management Group	Fairplay	Farm to Institution New England	Financial Transparency Coalition	First Teacher	FRESH New London
Revenue:							
Contributions	\$ 494,790	\$ -	\$ 685,016	\$ 2,725	\$ 225	\$ 70,593	\$ 42,566
Grants	11,117,106	-	636,085	405,000	820,964	243,468	408,614
Federal grants	-	-	-	41,696	-	-	6,500
Contract revenue	(1,106)	-	2,000	29,709	-	15,000	44,351
Conference revenue	-	-	-	-	-	-	-
Membership dues	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	7,385
Investment income	-	-	-	-	-	-	-
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Total revenue	11,610,790	-	1,323,101	479,130	821,189	329,061	509,416
Program expenses:							
Salaries and wages	-	145,385	570,550	350,175	96,160	244,081	234,232
Employee benefits	-	34,602	134,424	82,388	22,886	47,705	50,417
Grants, awards, contributions	2,166,880	-	-	-	603,806	-	-
Professional fees	570,293	254	102,697	10,080	234,563	14,395	14,090
Legal and accounting	19,798	-	-	-	13,500	-	-
Program expense	-	835	5,436	3,355	-	17,197	16,470
Occupancy	-	-	28,555	-	-	20,975	16,710
Copying and printing	-	-	10,041	336	-	4,031	409
Conference and meeting expense	-	804	4,785	7,968	175	8,618	491
Travel	-	853	9,615	6,391	2,976	1,025	15
Postage and supplies	110	19,139	17,693	11,035	518	6,681	1,535
Telecommunication expense	287	1,020	19,058	4,684	1,976	3,796	200
Insurance	-	-	-	-	-	-	2,215
Equipment	-	-	-	-	-	-	-
Depreciation and amortization	-	-	1,456	1,031	-	-	-
Other expenses	34,894	3	5,721	62	65	6,892	2,545
Interest expense	-	-	-	-	-	-	-
Administration fee to TSNE	82,721	24,347	109,204	60,237	67,472	51,856	36,374
Total expenses	2,874,983	227,242	1,019,235	537,742	1,044,097	427,252	375,703
Change in net assets	8,735,807	(227,242)	303,866	(58,612)	(222,908)	(98,191)	133,713
Net assets, beginning	11,910,120	282,178	250,077	767,668	554,925	223,814	225,634
Net assets, ending	\$ 20,645,927	\$ 54,936	\$ 553,943	\$ 709,056	\$ 332,017	\$ 125,623	\$ 359,347

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	<i>Future Chefs</i>	<i>Gardening the Community</i>	<i>Global Family Research Project</i>	<i>Healthy Places by Design</i>	<i>Integrity Initiatives International</i>	<i>ISED Solutions</i>	<i>Maine Food Strategy</i>
Revenue:							
Contributions	\$ 162,441	\$ 152,936	\$ 53,000	\$ 1,500	\$ 169,650	\$ -	\$ -
Grants	1,057,746	659,374	-	564,529	65,891	-	204,604
Federal grants	-	40,413	-	-	33,109	266,242	-
Contract revenue	5,936	57,994	-	806,580	-	-	-
Conference revenue	-	-	-	-	-	-	-
Membership dues	-	-	-	-	-	-	-
Rental income	742	-	-	-	-	-	-
Other income	5,673	60,973	-	500	-	-	-
Investment income	-	-	-	-	-	-	-
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Total revenue	1,232,538	971,690	53,000	1,373,109	268,650	266,242	204,604
Program expenses:							
Salaries and wages	731,504	167,596	47,397	650,825	113,161	152,683	28,148
Employee benefits	160,212	38,333	3,887	163,065	26,793	22,927	2,308
Grants, awards, contributions	-	-	-	225,000	-	-	-
Professional fees	129,532	72,313	-	223,136	3,938	66,799	9,560
Legal and accounting	-	-	-	-	-	-	-
Program expense	31,341	72,898	-	15,595	221	-	-
Occupancy	94,627	15,430	-	-	-	250	-
Copying and printing	2,915	917	-	155	1,352	235	-
Conference and meeting expense	2,322	1,385	-	2,413	2,056	1,725	-
Travel	1	766	-	1,990	12,949	-	-
Postage and supplies	5,157	7,939	306	16,550	968	5,459	196
Telecommunication expense	12,872	8,934	3,570	3,426	1,791	229	838
Insurance	10,275	2,156	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Depreciation and amortization	384,416	24,860	-	-	-	-	-
Other expenses	3,490	4,287	1	153	1,418	-	-
Interest expense	14,048	-	-	-	-	-	-
Administration fee to TSNE	174,755	52,621	7,722	129,304	20,339	32,939	5,747
Total expenses	1,757,467	470,435	62,883	1,431,612	184,986	283,246	46,797
Change in net assets	(524,929)	501,255	(9,883)	(58,503)	83,664	(17,004)	157,807
Net assets, beginning	3,046,959	914,540	9,828	1,725,735	125,591	47,483	100,196
Net assets, ending	\$ 2,522,030	\$ 1,415,795	\$ (55)	\$ 1,667,232	\$ 209,255	\$ 30,479	\$ 258,003

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	<i>Massachusetts Coalition of Domestic Workers</i>	<i>Massachusetts Farm to School</i>	<i>Massachusetts Organization for Addiction Recovery</i>	<i>Massachusetts Voter Table</i>	<i>Massachusetts Food System Collaborative</i>	<i>Matahari Women Workers' Center</i>	<i>Mattapan Food and Fitness Coalition</i>
Revenue:							
Contributions	\$ 3,062	\$ 1,052	\$ 3,302	\$ 33,121	\$ 1,036	\$ (40,108)	\$ 41,412
Grants	89,300	417,550	165,128	942,775	659,649	(5,353)	743,435
Federal grants	-	73,679	-	-	-	-	47,000
Contract revenue	-	4,130	13,692	32,168	53,741	1,000	18,526
Conference revenue	-	11,000	5,000	-	-	-	200
Membership dues	-	415	-	-	-	-	-
Rental income	-	-	-	-	-	-	-
Other income	-	-	(59,436)	-	-	-	830
Investment income	-	-	-	-	-	-	-
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Total revenue	92,362	507,826	127,686	1,008,064	714,426	(44,461)	851,403
Program expenses:							
Salaries and wages	42,291	247,286	153,975	283,474	125,233	189,352	137,028
Employee benefits	9,383	57,185	36,436	66,341	29,612	43,527	25,574
Grants, awards, contributions	-	-	100	-	-	-	-
Professional fees	27,000	24,455	5,910	17,520	18,752	51,489	96,220
Legal and accounting	-	-	25,000	-	-	-	-
Program expense	-	2,124	-	3,286	-	7,417	45,685
Occupancy	750	344	16,237	7,800	-	3,162	26,793
Copying and printing	-	35,071	1,340	31,203	119	-	4,063
Conference and meeting expense	350	6,187	5,067	5,387	61	525	867
Travel	-	2,063	1,897	2,538	233	28	2,105
Postage and supplies	20	7,635	832	18,708	-	8,144	5,942
Telecommunication expense	230	3,964	5,988	31,552	885	5,065	2,155
Insurance	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-
Other expenses	203	65	351	243	-	174	825
Interest expense	-	-	-	-	-	-	-
Administration fee to TSNE	11,232	54,093	35,439	56,166	21,026	43,244	42,900
Total expenses	91,459	440,472	288,572	524,218	195,921	352,127	390,157
Change in net assets	903	67,354	(160,886)	483,846	518,505	(396,588)	461,246
Net assets, beginning	52,652	627,524	161,097	294,080	-	396,588	359,656
Net assets, ending	\$ 53,555	\$ 694,878	\$ 211	\$ 777,926	\$ 518,505	\$ -	\$ 820,902

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	<i>Mental Health Legal Advisors Committee</i>	<i>MLPB</i>	<i>National Network of Fiscal Sponsors</i>	<i>Network for Public Health Law</i>	<i>PACEs Connection</i>	<i>Population Health Improvement Partners</i>	<i>The Public Finance Initiative</i>
Revenue:							
Contributions	\$ -	\$ 5,800	\$ 98,650	\$ 50,900	\$ 22,023	\$ 500	\$ -
Grants	30,500	46,700	-	535,500	416,000	(170,235)	4,021,510
Federal grants	-	16,336	-	16,125	-	240,835	-
Contract revenue	-	1,127,364	-	542,800	200,143	1,143,418	30,509
Conference revenue	-	-	-	273,657	-	-	-
Membership dues	-	-	-	-	56,250	-	-
Rental income	-	-	-	-	-	-	-
Other income	-	-	-	200	-	-	-
Investment income	-	-	-	-	-	-	-
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Total revenue	30,500	1,196,200	98,650	1,419,182	694,416	1,214,518	4,052,019
Program expenses:							
Salaries and wages	-	586,274	-	1,535,207	1,422,920	772,959	218,195
Employee benefits	-	138,691	-	360,431	339,495	187,638	34,584
Grants, awards, contributions	28,975	-	-	1,422,699	-	-	250,000
Professional fees	-	129,892	37,350	547,476	101,846	33,216	522,680
Legal and accounting	-	2,401	-	1,188	-	-	-
Program expense	-	6,634	-	20,739	23,823	1,758	5,401
Occupancy	-	2,792	-	52,324	-	4,800	-
Copying and printing	-	89	-	1,020	79	-	-
Conference and meeting expense	-	1,810	14,001	204,901	1,814	4,200	-
Travel	-	253	9,519	45,853	2,635	5,015	9,928
Postage and supplies	-	19,168	-	87,814	8,165	697	275
Telecommunication expense	-	14,592	1,680	10,630	8,423	8,834	-
Insurance	-	5,491	-	4,218	-	-	-
Equipment	-	-	-	-	-	-	-
Depreciation and amortization	-	4,852	-	980	-	-	-
Other expenses	-	59	1,609	7,652	(39)	-	66
Interest expense	-	-	-	-	-	-	-
Administration fee to TSNE	1,525	105,639	-	389,414	77,088	120,254	104,113
Total expenses	30,500	1,018,637	64,159	4,692,546	1,986,249	1,139,371	1,145,242
Change in net assets	-	177,563	34,491	(3,273,364)	(1,291,833)	75,147	2,906,777
Net assets, beginning	-	966,698	205,468	9,825,828	2,516,749	386,580	268,963
Net assets, ending	\$ -	\$ 1,144,261	\$ 239,959	\$ 6,552,464	\$ 1,224,916	\$ 461,727	\$ 3,175,740

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	<i>Real Food Challenge</i>	<i>Rhode Island Food Policy Council</i>	<i>Rhode Island Policy Council</i>	<i>Safe Havens</i>	<i>School and State Finance Project</i>	<i>Station1</i>	<i>Truth, Racial Healing, and Transformation Process</i>
Revenue:							
Contributions	\$ (181,030)	\$ 47,001	\$ (10,432)	\$ 111,265	\$ 12,750	\$ -	\$ -
Grants	45,670	123,742	129,571	24,086	1,689,166	-	-
Federal grants	-	-	88,008	227,318	-	-	-
Contract revenue	449	2,645	12,315	3,074	29,680	2,064	184,569
Conference revenue	44	600	-	-	-	-	-
Membership dues	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-
Other income	-	-	-	-	1,386	-	-
Investment income	-	-	-	-	-	-	-
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Total revenue	(134,867)	173,988	219,462	365,743	1,732,982	2,064	184,569
Program expenses:							
Salaries and wages	248,835	139,420	85,607	246,032	1,140,868	-	124,476
Employee benefits	53,527	33,181	19,667	58,556	268,831	-	23,680
Grants, awards, contributions	-	-	300,000	-	250	-	-
Professional fees	18,827	17,930	121,244	21,808	3,463	-	-
Legal and accounting	-	-	-	-	-	-	-
Program expense	3,518	2,459	-	252	14,757	-	-
Occupancy	-	7,500	837	18,376	32,994	-	-
Copying and printing	57	144	308	93	676	-	-
Conference and meeting expense	442	1,027	958	90	2,684	-	-
Travel	5,638	456	134	3,730	3,969	-	-
Postage and supplies	740	11,414	2,779	2,129	52,262	1,736	138
Telecommunication expense	6,567	1,001	1,523	2,987	12,564	-	1,636
Insurance	-	-	699	-	-	-	-
Equipment	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	11,231	-	-
Other expenses	750	176	621	40	3,855	140	-
Interest expense	-	-	-	-	-	-	-
Administration fee to TSNE	37,282	25,765	23,166	49,573	154,702	188	17,992
Total expenses	376,183	240,473	557,543	403,666	1,703,106	2,064	167,922
Change in net assets	(511,050)	(66,485)	(338,081)	(37,923)	29,876	-	16,647
Net assets, beginning	511,050	227,120	338,081	86,322	1,514,433	-	10,525
Net assets, ending	\$ -	\$ 160,635	\$ -	\$ 48,399	\$ 1,544,309	\$ -	\$ 27,172

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.

Supplemental Schedule of Activities for Fiscally Sponsored Programs and Services

Year Ended June 30, 2022

	Workers Justice		
	Project	Limited Projects	Total
Revenue:			
Contributions	\$ 188,577	\$ 3,795	\$ 4,410,235
Grants	1,287,050	(164,001)	56,518,937
Federal grants	-	-	1,996,863
Contract revenue	1,592,882	-	8,852,559
Conference revenue	-	-	1,020,986
Membership dues	-	-	162,764
Rental income	-	-	942
Other income	-	-	101,424
Investment income	-	-	85,077
Net realized and unrealized gain on investments	-	-	480,712
Total revenue	3,068,509	(160,206)	73,630,499
Program expenses:			
Salaries and wages	915,397	-	21,373,121
Employee benefits	212,727	-	4,950,999
Grants, awards, contributions	-	-	7,898,752
Professional fees	403,001	-	11,835,667
Legal and accounting	-	-	62,802
Program expense	298,510	861	790,814
Occupancy	190,701	-	844,761
Copying and printing	22,387	-	170,052
Conference and meeting expense	33,017	-	768,850
Travel	75,314	-	332,154
Postage and supplies	33,719	3,450	544,930
Telecommunication expense	15,396	-	412,474
Insurance	-	-	33,193
Equipment	-	-	7,775
Depreciation and amortization	2,357	6,144	489,202
Other expenses	4,988	791	404,632
Interest expense	-	-	18,460
Administration fee to TSNE	309,052	1,108	4,716,286
Total expenses	2,516,566	12,354	55,654,924
Change in net assets	551,943	(172,560)	17,975,575
Net assets, beginning	1,628,454	(870)	71,762,882
Net assets, ending	\$ 2,180,397	\$ (173,430)	\$ 89,738,457

See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.
Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed Through to Subrecipients</i>	<i>Federal Expenditures</i>
U.S. Department of Health and Human Services Direct Program:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	NA	\$ 137,476	\$ 562,352
Total U.S. Department of Health and Human Services Direct Program			137,476	562,352
U.S. Department of Health and Human Services Pass-Through Programs:				
Passed-through The National Center on Elder Abuse (NCEA) at the Keck School of Medicine of USC Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90ABRC0002-01-00	-	1,606
Passed-through The University of North Carolina at Chapel Hill Maternal and Child Health Federal Consolidated Program	93.110	6 UE7MC26282-08-02	-	215,874
Passed-through Trustees of Boston University Maternal and Child Health Federal Consolidated Program	93.110	6 UJ6MC32737-03-01	-	24,966
Passed-through Boston Public Health Commission COVID-19 - Advancing Health Literacy to Enhance Equitable Community Responses to COVID-19	93.137	1 CPIMP211244-01-00	-	9,461
Passed-through Temple University Mental Health Research Grants	93.242	R34MH125718	-	16,335
Passed-through North Carolina Area Health Education Centers Program Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	NU58DP006513	-	126,877
Passed-through Boston Public Health Commission Community Health Workers for Public Health Response and Resilient	93.495	FY23024258	-	18,162
Total U.S. Department of Health and Human Services Pass-Through Programs			-	413,281
Total U.S. Department of Health and Human Services Direct and Pass-Through Programs			137,476	975,633
U.S. Department of Housing and Urban Development Pass-Through Program:				
Passed-through The City of New London CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	14.218	2G417317 / 58250	-	6,500
Total U.S. Department of Housing and Urban Development Pass-Through Program			-	6,500
U.S. Department of Justice Direct Program:				
OVW Technical Assistance Initiative	16.526	N/A	-	225,712
Total U.S. Department of Justice			-	225,712
U.S. Department of Northern Border Regional Commission Pass-Through Program:				
Passed-through Vermont Housing and Conservation Board Northern Border Regional Development	90.601	NBRC19GRF08	-	43,188
Total U.S. Department of Northern Border Regional Commission Pass-Through Program			-	43,188
Balance Forward			\$ 137,476	\$ 1,251,033

THIRD SECTOR NEW ENGLAND, INC.
Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Balance Forward			\$ 137,476	\$ 1,251,033
U.S. Department of Agriculture Direct Programs:				
Outreach Education and Technical Assistance	10.132	N/A	-	37,363
Beginning Farmer and Rancher Development Program	10.311	N/A	-	133,165
Rural Business Development Grant	10.351	N/A	-	40,337
Agriculture Innovation Center Demonstration Program	10.377	N/A	-	749
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443	N/A	51,251	133,076
Farm to School Grant Program	10.575	N/A	-	104,880
Total U.S. Department of Agriculture Direct Programs			51,251	449,570
U.S. Department of Agriculture Pass-Through Programs:				
Passed-through Rhode Island Department of Environmental Management Division of Agriculture Federal-State Marketing Improvement Program	10.156	AM180100XXXG159	-	5,044
Passed-through Community Involved in Sustaining Agriculture Farmers Market Promotion Program or Local Food Promotion Program	10.175	AM190100XXXG150; AM200100XXXG189	29,296	113,156
Passed-through University of Delaware Cooperative Extension Service	10.500	2021-70027-34693	-	22,333
Total U.S. Department of Agriculture Pass-Through Programs			29,296	140,533
Total U.S. Department of Agriculture Direct and Pass-Through Programs			80,547	590,103
U.S. Department of Commerce Pass-Through Program:				
Passed-through Regents of the University of Michigan Climate and Atmospheric Research	11.431	NA15OAR4310148	-	16,124
Total U.S. Department of Commerce Pass-Through Program			-	16,124
U.S. Department of Treasury Pass-Through Programs:				
Passed-through Rhode Island Foundation COVID-19 - Coronavirus Relief Fund	21.019	12105_20217483	-	49,000
Passed-through Boston Public Health Commission COVID-19 - Coronavirus Relief Fund	21.019	FY22023622	-	46,999
Total U.S. Department of Treasury Pass-Through Programs			-	95,999
U.S. Department of State Pass-Through Program:				
Passed-through National Endowment for Democracy International Programs to Support Democracy, Human Rights and Labor	19.345	2019-1404	-	33,109
Total U.S. Department of State Pass-Through Program			-	33,109
U.S. Department of Environmental Protection Agency Direct Program:				
Healthy Communities Grant Program	66.110	NA	-	10,495
Total U.S. Department of Environmental Protection Agency Direct Program			-	10,495
Total Expenditures of Federal Awards			\$ 218,023	\$ 1,996,863

THIRD SECTOR NEW ENGLAND, INC.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Third Sector New England, Inc. ("TSNE") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of TSNE, it is not intended to and does not present the financial position, changes in net assets or cash flows of TSNE.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. TSNE has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Reporting Under Government Auditing Standards



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*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Third Sector New England, Inc. ("TSNE"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TSNE's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TSNE's internal control. Accordingly, we do not express an opinion on the effectiveness of TSNE's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether TSNE's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maya Heyman McCann P.C.

Boston, Massachusetts
December 13, 2022

Reporting Under the Uniform Guidance



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*Independent Auditors' Report on Compliance For Each Major Federal Program
and Report on Internal Control Over Compliance Required by the Uniform Guidance*

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Third Sector New England, Inc.'s ("TSNE") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on TSNE's major federal program for the year ended June 30, 2022. TSNE's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, TSNE complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of TSNE and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of TSNE's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to TSNE's federal programs.



Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether to do with fraud or error, and express an opinion on TSNE's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about TSNE's compliance with the requirements of the major program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 TSNE's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of TSNE's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of TSNE's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mayer Hoffman McCann P.C.

Boston, Massachusetts
December 13, 2022

THIRD SECTOR NEW ENGLAND, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section 1

Summary of Auditors' Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal control over major federal programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 2. Type of auditors' report issued on compliance for major federal programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. Identification of major federal programs: | |

Assistance Listing Number

Name of Federal Program

93.243

Substance Abuse and Mental Health Services Projects
of Regional and National Significance

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | Yes |

THIRD SECTOR NEW ENGLAND, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section 2

Financial Statement Findings

None noted.

Section 3

Federal Award Findings and Questioned Costs

None noted.