



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

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

June 30, 2021 and 2020



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

***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 Financial Statements

We have audited the accompanying financial statements of Third Sector New England, Inc. ("TSNE") D/B/A TSNE MissionWorks, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TSNE as of June 30, 2021 and 2020, 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.

Other Matters

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* (the "Uniform Guidance") and Supplemental Schedule of Activities for Fiscal Sponsorship 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 14, 2021 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 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 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.

Maya Heyman McCann P.C.

December 14, 2021
Boston, Massachusetts

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

Statements of Financial Position

	<i>June 30,</i>	
	2021	2020
Assets		
Cash and cash equivalents	\$ 49,215,442	\$ 45,405,522
Assets limited as to use	442,256	510,300
Contributions, grants and notes receivable, net (allowance for doubtful accounts of \$62,738 for 2021 and 2020)	21,265,636	20,088,938
Royalty fees receivable	972,105	1,191,717
Prepaid expenses and deposits	870,958	1,011,569
Investments	35,602,905	21,980,158
Property and equipment, net	<u>20,693,109</u>	<u>19,829,339</u>
Total assets	\$ <u>129,062,411</u>	\$ <u>110,017,543</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 6,252,038	\$ 6,106,556
Deferred revenue	1,517,482	4,131,748
Debt	12,807,778	12,100,217
Interest rate swap obligation	<u>629,687</u>	<u>1,222,336</u>
Total liabilities	<u>21,206,985</u>	<u>23,560,857</u>
Net assets:		
Without donor restrictions	<u>35,275,777</u>	<u>30,131,503</u>
With donor restrictions:		
Donor restricted for TSNE operations	816,767	186,916
Donor restricted to fiscal sponsorship projects	<u>71,762,882</u>	<u>56,138,267</u>
Total net assets with donor restrictions	<u>72,579,649</u>	<u>56,325,183</u>
Total net assets	<u>107,855,426</u>	<u>86,456,686</u>
Total liabilities and net assets	\$ <u>129,062,411</u>	\$ <u>110,017,543</u>

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

Statement of Activities

**Year Ended June 30, 2021
(with comparative totals for 2020)**

	2021				2020	
	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	\$ -	\$ -	\$ -	\$ 62,395,709	\$ 62,395,709	\$ 41,778,518
Other contributions and grants	50,431	-	50,431	1,327,011	1,377,442	1,706,917
Federal income	-	1,455,760	1,455,760	-	1,455,760	2,075,035
Royalty income	1,579,394	-	1,579,394	-	1,579,394	2,374,210
Contract revenue	550,248	7,069,856	7,620,104	-	7,620,104	13,563,846
Interest income	138,056	22,895	160,951	-	160,951	493,805
Conference revenue	44,437	173,138	217,575	-	217,575	589,529
Membership dues	-	920,078	920,078	-	920,078	687,533
Rental income	3,118,999	4,669	3,123,668	-	3,123,668	3,301,291
Other income	508,622	123,658	632,280	-	632,280	361,252
Net assets released from restrictions	697,161	46,771,093	47,468,254	(47,468,254)	-	-
Total revenue	6,687,348	56,541,147	63,228,495	16,254,466	79,482,961	66,931,936
Program expenses:						
Fiscally sponsored programs	-	51,899,899	51,899,899	-	51,899,899	48,055,496
Consulting and training services	1,564,729	-	1,564,729	-	1,564,729	2,437,063
NonProfit Centers	2,798,297	-	2,798,297	-	2,798,297	3,277,139
Administrative and general	2,923,022	4,641,248	7,564,270	-	7,564,270	7,953,876
Total expenses	7,286,048	56,541,147	63,827,195	-	63,827,195	61,723,574
Change in net assets from operations	(598,700)	-	(598,700)	16,254,466	15,655,766	5,208,362
Nonoperating:						
Investment income, net of fees	291,024	-	291,024	-	291,024	250,484
Net realized and unrealized gain on investments	4,859,301	-	4,859,301	-	4,859,301	392,837
Change in fair value of interest rate swap obligation	592,649	-	592,649	-	592,649	(1,027,728)
Donation of building	-	-	-	-	-	(1,700,825)
Change in net assets from nonoperating activities	5,742,974	-	5,742,974	-	5,742,974	(2,085,232)
Total changes in net assets	5,144,274	-	5,144,274	16,254,466	21,398,740	3,123,130
Net assets, beginning	30,131,503	-	30,131,503	56,325,183	86,456,686	83,333,556
Net assets, ending	\$ 35,275,777	\$ -	\$ 35,275,777	\$ 72,579,649	\$ 107,855,426	\$ 86,456,686

See accompanying notes to the financial statements.

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

Statement of Activities

Year Ended June 30, 2020

	TSNE	Fiscally Sponsored	Total	With	Total
	Without Donor	Programs	Without Donor	Donor	
	Restrictions	Restrictions	Restrictions	Restrictions	Total
Revenue:					
Contributions and grants - fiscally sponsored programs	\$ -	\$ -	\$ -	\$ 41,778,518	\$ 41,778,518
Other contributions and grants	139,275	-	139,275	1,567,642	1,706,917
Federal income	-	2,075,035	2,075,035	-	2,075,035
Royalty income	2,370,398	3,812	2,374,210	-	2,374,210
Contract revenue	1,165,496	12,398,350	13,563,846	-	13,563,846
Interest income	456,579	37,226	493,805	-	493,805
Conference revenue	245,664	343,865	589,529	-	589,529
Membership dues	-	687,533	687,533	-	687,533
Rental income	3,267,829	33,462	3,301,291	-	3,301,291
Other income	21,617	339,635	361,252	-	361,252
Net assets released from restrictions	<u>1,586,808</u>	<u>36,331,252</u>	<u>37,918,060</u>	<u>(37,918,060)</u>	<u>-</u>
Total revenue	<u>9,253,666</u>	<u>52,250,170</u>	<u>61,503,836</u>	<u>5,428,100</u>	<u>66,931,936</u>
Program expenses:					
Fiscally sponsored programs	-	48,055,496	48,055,496	-	48,055,496
Consulting and training services	2,437,063	-	2,437,063	-	2,437,063
NonProfit Centers	3,277,139	-	3,277,139	-	3,277,139
Administrative and general	<u>3,759,202</u>	<u>4,194,674</u>	<u>7,953,876</u>	<u>-</u>	<u>7,953,876</u>
Total expenses	<u>9,473,404</u>	<u>52,250,170</u>	<u>61,723,574</u>	<u>-</u>	<u>61,723,574</u>
Change in net assets from operations	<u>(219,738)</u>	<u>-</u>	<u>(219,738)</u>	<u>5,428,100</u>	<u>5,208,362</u>
Nonoperating:					
Investment income, net of fees	250,484	-	250,484	-	250,484
Net realized and unrealized gain on investments	392,837	-	392,837	-	392,837
Change in fair value of interest rate swap obligation	(1,027,728)	-	(1,027,728)	-	(1,027,728)
Donation of building	<u>(1,700,825)</u>	<u>-</u>	<u>(1,700,825)</u>	<u>-</u>	<u>(1,700,825)</u>
Change in net assets from nonoperating activities	<u>(2,085,232)</u>	<u>-</u>	<u>(2,085,232)</u>	<u>-</u>	<u>(2,085,232)</u>
Total changes in net assets	<u>(2,304,970)</u>	<u>-</u>	<u>(2,304,970)</u>	<u>5,428,100</u>	<u>3,123,130</u>
Net assets, beginning as previously reported	32,436,473	-	32,436,473	51,694,303	84,130,776
Impact of adoption of ASU 2018-08	<u>-</u>	<u>-</u>	<u>-</u>	<u>(797,220)</u>	<u>(797,220)</u>
Net assets, beginning as adjusted	<u>32,436,473</u>	<u>-</u>	<u>32,436,473</u>	<u>50,897,083</u>	<u>83,333,556</u>
Net assets, ending	<u>\$ 30,131,503</u>	<u>\$ -</u>	<u>\$ 30,131,503</u>	<u>\$ 56,325,183</u>	<u>\$ 86,456,686</u>

See accompanying notes to the financial statements.

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

Statement of Functional Expenses

*Year Ended June 30, 2021
(with comparative totals for 2020)*

	2021				2020	
	Fiscally Sponsored Programs	Consulting and Training Services	NonProfit Centers	Administrative and General	Total Expenses	Total Expenses
Salaries and wages	\$ 20,689,697	\$ 1,011,544	\$ 529,879	\$ 4,331,257	\$ 26,562,377	\$ 26,769,842
Employee benefits	5,183,677	213,749	111,032	1,178,899	6,687,357	6,497,167
Grants, awards, contributions	9,329,377	-	-	9,073	9,338,450	5,385,600
Professional fees	12,078,789	242,629	55,580	713,324	13,090,322	11,408,599
Occupancy	892,272	-	240,146	13,558	1,145,976	1,518,448
Postage and supplies	1,001,823	3,521	5,736	419,328	1,430,408	1,349,551
Travel	168,092	674	849	2,991	172,606	1,348,219
Printing and publications	170,369	-	-	332	170,701	223,491
Conference and meeting expense	197,781	1,587	1,963	1,710	203,041	1,840,645
Contract expense	166,277	74,712	-	-	240,989	540,461
Other expenses	619,472	12,861	72,108	37,086	741,527	1,062,315
Telephone and communications	570,872	312	29,681	61,036	661,901	482,611
Training	78,890	3,110	-	6,012	88,012	89,583
Depreciation and amortization	243,166	-	936,936	61,403	1,241,505	1,040,008
Equipment rental and maintenance	356,557	-	26,742	52,440	435,739	148,283
Accounting and legal expense	107,315	30	-	449,315	556,660	630,147
Insurance	35,593	-	54,040	225,717	315,350	268,473
Facility expense	-	-	389,581	789	390,370	638,414
Interest expense	9,880	-	344,024	-	353,904	481,717
Allocated indirect cost	4,641,248	-	-	(4,641,248)	-	-
Total expenses	\$ 56,541,147	\$ 1,564,729	\$ 2,798,297	\$ 2,923,022	\$ 63,827,195	\$ 61,723,574

See accompanying notes to the financial statements.

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

Statement of Functional Expenses

Year Ended June 30, 2020

	<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	\$ 20,022,638	\$ 1,486,528	\$ 520,687	\$ 4,739,989	\$ 26,769,842
Employee benefits	4,645,933	364,117	125,781	1,361,336	6,497,167
Grants, awards, contributions	5,369,100	-	-	16,500	5,385,600
Professional fees	10,900,424	118,436	46,589	343,150	11,408,599
Occupancy	1,247,956	-	259,768	10,724	1,518,448
Postage and supplies	862,010	2,746	17,957	466,838	1,349,551
Travel	1,282,176	29,953	235	35,855	1,348,219
Printing and publications	211,736	5,832	-	5,923	223,491
Conference and meeting expense	1,706,739	45,074	5,816	83,016	1,840,645
Contract expense	203,866	336,595	-	-	540,461
Other expenses	843,956	33,329	95,256	89,774	1,062,315
Telephone and communications	396,767	32	31,708	54,104	482,611
Training	55,608	14,349	299	19,327	89,583
Depreciation and amortization	51,028	-	951,287	37,693	1,040,008
Equipment rental and maintenance	104,039	-	24,502	19,742	148,283
Accounting and legal expense	107,253	72	38,583	484,239	630,147
Insurance	32,783	-	51,023	184,667	268,473
Facility expense	1,900	-	635,515	999	638,414
Interest expense	9,584	-	472,133	-	481,717
Allocated indirect cost	4,194,674	-	-	(4,194,674)	-
Total expenses	\$ 52,250,170	\$ 2,437,063	\$ 3,277,139	\$ 3,759,202	\$ 61,723,574

See accompanying notes to the financial statements.

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

Statements of Cash Flows

	Years Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ <u>21,398,740</u>	\$ <u>3,123,130</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Impact of adoption of ASU 2018-08	-	(797,220)
Depreciation and amortization	1,241,505	1,040,008
Loss on disposal of property and equipment	293,019	-
Donation of building	-	1,700,825
Non-cash transfer in of private company stock	(8,472,420)	-
Net realized and unrealized gain on investments	(4,859,301)	(392,837)
Change in fair value of interest rate swap obligation	(592,649)	1,027,728
Change in:		
Contributions, grants and notes receivable	(1,176,698)	892,517
Royalty fees receivable	219,612	(496,219)
Prepaid expenses and deposits	106,347	(120,296)
Accounts payable and accrued expenses	259,137	(842,481)
Deferred revenue	<u>(2,614,266)</u>	<u>2,412,226</u>
Total adjustments	<u>(15,595,714)</u>	<u>4,424,251</u>
Net cash provided by operating activities	<u>5,803,026</u>	<u>7,547,381</u>
Cash flows from investing activities:		
Proceeds from sale of investments	12,714,152	22,683,478
Purchase of investments	(13,005,178)	(20,933,959)
Change in assets limited as to use	68,044	273,737
Purchase of property and equipment	<u>(2,456,656)</u>	<u>(1,638,715)</u>
Net cash provided by (used in) investing activities	<u>(2,679,638)</u>	<u>384,541</u>
Cash flows from financing activities:		
Payments on bond payable	(479,401)	(437,492)
Proceeds from note payable	1,199,491	-
Payment for debt issuance costs	<u>(33,558)</u>	<u>(72,862)</u>
Cash provided by (used in) financing activities	<u>686,532</u>	<u>(510,354)</u>
Net increase in cash and cash equivalents	3,809,920	7,421,568
Cash, cash equivalents and restricted cash, beginning	<u>45,405,522</u>	<u>37,983,954</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 49,215,442</u>	<u>\$ 45,405,522</u>

See accompanying notes to the financial statements.

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

Notes to Financial Statements

Note 1 - Nature of Operations

Third Sector New England, Inc. ("TSNE") D/B/A TSNE MissionWorks 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 over 65 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, changes in the fair value of interest rate swap obligations and the loss on donation of real estate 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.
D/B/A TSNE MissionWorks**

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:

	2021	2020
Fiscally sponsored organizations	\$ 45,786,236	\$ 41,889,217
TSNE operating cash	<u>3,429,206</u>	<u>3,516,305</u>
Total cash and cash equivalents	<u>\$ 49,215,442</u>	<u>\$ 45,405,522</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, Grants and Notes 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. Notes receivable represent amounts due to TSNE under certain microloan programs.

Contributions, grants and notes 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.
D/B/A TSNE MissionWorks**

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.
D/B/A TSNE MissionWorks**

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.
D/B/A TSNE MissionWorks**

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 Fiscal Sponsorship Organizations. Revenues resulting from the operation of each Fiscal Sponsored Organization 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.
D/B/A TSNE MissionWorks**

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 revenue 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, 2021 and 2020, TSNE recognized approximately \$2,823,000 and \$3,359,900 of revenue over time and \$5,340,000 and \$11,533,500 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 received pending designation by the donor are considered with donor restrictions until known at which time such are reclassified if required. 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 and redirected to other not-for-profit organizations when these programs leave the TSNE administration, and when these funds are transferred to these other not-for-profit organizations, they are recorded as a contra revenue account in the statement of activities.

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

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 fiscal sponsorship organizations which are reflected as donor restricted to fiscal sponsorship revenue 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 fiscal sponsorship organization, in which case the revenue would be classified as being with donor restrictions. Revenue on contracts is recognized when the barrier to entitlement is met which generally is indicated via the incurring of allowable costs under the contract.

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. Included in deferred revenue is the unearned portion of the Paycheck Protection Program ("PPP") Loan.

Fundraising Expenses

Included in expenses for fiscal sponsorship programs are approximately \$1,324,000 and \$1,228,000 of fundraising expenses for the years ended June 30, 2021 and 2020, 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 Organizations functional area represents all activities performed by our community organizations. The allocation of indirect cost from Administrative and General to Fiscally Sponsored Organizations 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.
D/B/A TSNE MissionWorks**

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.

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.
D/B/A TSNE MissionWorks**

Notes to Financial Statements

Note 3 - Liquidity and Availability (Continued)

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

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	\$ 49,215,442	\$ 45,405,522
Assets limited as to use	442,256	510,300
Contributions, grants and notes receivable, net	21,265,636	20,088,938
Royalty fees receivable	972,105	1,191,717
Investments	<u>35,602,905</u>	<u>21,980,158</u>
Total financial assets at year end	<u>\$ 107,498,344</u>	<u>\$ 89,176,635</u>
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	\$ 47,737,271	\$ 42,862,567
Contributions, grants and notes receivable without restrictions due in one year or less	13,476,931	18,159,598
Royalty fees receivable	972,105	1,191,717
Investments	<u>27,130,485</u>	<u>21,980,158</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 89,316,792</u>	<u>\$ 84,194,040</u>

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

Notes to Financial Statements

Note 4 - Contributions, Grants and Notes Receivable

Accounts and notes receivable consist of the following for the years ended June 30:

	2021	2020
Contributions and grants receivable:		
Due in one year or less	\$ 10,023,413	\$ 13,868,933
Between one year and five years	<u>7,893,263</u>	<u>1,274,500</u>
	17,916,676	15,143,433
 Accounts receivable	 3,453,518	 4,290,665
 Notes receivable	 -	 722,896
 Less: discount for present value	 (41,820)	 (5,318)
Less: allowance for doubtful accounts	<u>(62,738)</u>	<u>(62,738)</u>
 Contributions, grants and notes receivable, net	 <u>\$ 21,265,636</u>	 <u>\$ 20,088,938</u>

Accounts receivable consists of approximately 16% and 22% from one grantor at June 30, 2021 and 2020, respectively.

Unbilled receivables were \$2,702,514 and \$1,718,445 at June 30, 2021 and 2020, respectively. Conditional promises were approximately \$8,406,000 and \$11,693,000 at June 30, 2021 and 2020, respectively. Conditions can include items such as incurring specified allowable expenses in accordance with a framework of allowable costs or other performance related barriers. Included in 2020 was approximately \$1,246,000 associated with the unforgiven portion of the PPP Loan (See Note 15).

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

Notes to Financial Statements

Note 5 - Investments

The following is a summary of investments at June 30:

	<i>Fair Value Hierarchy</i>	2021	2020
Investments:			
Cash equivalents	Level 1	\$ 233,464	\$ 516,048
Common stock mutual funds - domestic	Level 1	13,347,857	10,715,727
Common stock mutual funds - international	Level 1	913,335	783,026
Equity mutual funds	Level 1	1,584,521	746,427
U.S. treasuries	Level 2	516,000	1,314,273
Agency securities	Level 2	60,438	512,304
Corporate bonds	Level 2	9,667,070	7,110,551
Municipal bonds	Level 2	807,800	281,802
		<u>27,130,485</u>	<u>21,980,158</u>
Total assets at fair value		27,130,485	21,980,158
Private company equity securities	N/A	<u>8,472,420</u>	<u>-</u>
		<u>8,472,420</u>	<u>-</u>
Total investments		\$ 35,602,905	\$ 21,980,158

The private company equity securities represent shares of the stock of a private company. These shares were received in connection with the transfer of the investments of a fiscally sponsored organization from the previous fiscal sponsor to TSNE during 2021. This investment was initially recorded at fair value using Level 3 valuation inputs and will not be remeasured at fair value on a recurring basis, however indicators of impairment will be annually considered. TSNE used a market valuation approach that included EBITDA multiples ranging from 9.75x to 10.25x and a marketability discount of 50%. As permitted by GAAP since this investment does not have a readily determinable fair value, TSNE has elected to measure the investment on a forward basis at cost/contributed value and evaluate for impairment each year. If TSNE identifies observable price changes in orderly transactions for the identical or a similar investment of this private company, it will remeasure the investment at fair value as of the date that the observable transaction occurs.

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

Notes to Financial Statements

Note 6 - Property and Equipment

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

	2021	2020
Land	\$ 5,576,737	\$ 5,576,737
Building	9,850,785	9,845,636
Building improvements	16,923,541	15,884,500
Furnishings and equipment	796,523	902,164
Software	976,979	503,994
Construction in progress	<u>-</u>	<u>829,232</u>
	34,124,565	33,542,263
Less accumulated depreciation	<u>(13,431,456)</u>	<u>(13,712,924)</u>
Property and equipment, net	<u>\$ 20,693,109</u>	<u>\$ 19,829,339</u>

Depreciation expense was \$1,186,212 and \$992,433 for the years ended June 30, 2021 and 2020, respectively. Included in accounts payable and accrued expenses was approximately \$131,000 and \$245,000 at June 30, 2021 and 2020, respectively, of property and equipment additions unpaid.

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.

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

Notes to Financial Statements

Note 7 - Debt

Bond payable consists of the following at June 30:

	2021	2020
<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 (1.16% and 2.58% at June 30, 2021 and 2020, 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>	\$ 11,923,107	\$ 12,402,508
<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>1,199,491</u> 13,122,598	<u>-</u> 12,402,508
<p>Less debt issuance costs</p>	<u>(314,820)</u>	<u>(302,291)</u>
<p>Debt, net</p>	<u>\$ 12,807,778</u>	<u>\$ 12,100,217</u>

Maturities of debt are as follows:

2022	\$ 743,040
2023	1,057,066
2024	920,163
2025	536,304
2026	551,562
Thereafter	<u>9,314,463</u>
	<u>\$ 13,122,598</u>

Debt issuance costs are capitalized and amortized on the straight-line basis over the life of the debt. At June 30, 2021 and 2020, bond issuance costs totaled \$460,211 and \$426,653, respectively, net of accumulated amortization of \$145,391 and \$124,362, respectively. Amortization expense amounted to \$21,000 and \$13,300 for the years ended June 30, 2021 and 2020, respectively, and debt issuance costs were \$33,558 and \$72,862 for the years ended June 30, 2021 and 2020, respectively.

Interest expense related to the above debt amounted to \$353,904 and \$470,308 for the years ended June 30, 2021 and 2020, respectively.

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

Notes to Financial Statements

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.

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, 2021, 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 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>
6/30/2021	\$ 11,923,107	8/01/2029	81% * 1.35% + one month LIBOR	2.770%	\$ 629,687
6/30/2020	\$ 12,402,508	8/01/2029	81% * 1.35% + one month LIBOR	2.770%	\$ 1,222,336

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 \$870,753 and \$1,225,493 for the years ended June 30, 2021 and 2020, respectively.

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

2022	\$ 392,338
2023	270,021
2024	134,553
2025	51,214
2026	12,917
Thereafter	<u>26,250</u>
	<u>\$ 887,293</u>

**THIRD SECTOR NEW ENGLAND, INC.
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Notes to Financial Statements

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 September 2026. Rental income including operating expense escalations charged to tenants was \$3,123,668 and \$3,301,291 for the years ended June 30, 2021 and 2020, respectively.

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

2022	\$	2,609,936
2023		2,204,720
2024		1,814,024
2025		963,326
2026		309,339
Thereafter		<u>32,968</u>
	\$	<u>7,934,313</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 incurred under the plan were \$742,126 and \$896,866 during the years ended June 30, 2021 and 2020, respectively.

Note 12 - Net Assets

Net assets are comprised of the following at June 30:

Detail of Net Assets	2021		Total
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	
Operating funds:			
Undesignated	\$ 28,020,133	\$ -	\$ 28,020,133
Investment in plant (net of related debt)	7,255,644	-	7,255,644
Donor restricted for fiscal sponsor organizations	-	71,762,882	71,762,882
TSNE program support	<u>-</u>	<u>816,767</u>	<u>816,767</u>
Total net assets	<u>\$ 35,275,777</u>	<u>\$ 72,579,649</u>	<u>\$ 107,855,426</u>

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

Notes to Financial Statements

Note 12 - Net Assets (Continued)

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Detail of Net Assets			
Operating funds:			
Undesignated	\$ 23,624,717	\$ -	\$ 23,624,717
Investment in plant (net of related debt)	6,506,786	-	6,506,786
Donor restricted for fiscal sponsor organizations	-	56,138,267	56,138,267
TSNE program support	-	186,916	186,916
	\$ 30,131,503	\$ 56,325,183	\$ 86,456,686

Releases from donor-restricted net assets represent expenses incurred for the operation of Fiscal Sponsorship Organizations and certain TSNE operations with donor restrictions.

During the year ended June 30, 2021, one of TSNE's FSO's transferred its assets from another not-for-profit entity to TSNE. The value at the date of the transfer was \$10,991,773 and this amount is included in contributions revenue. These assets are restricted for the operations of the FSO.

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 \$1,194,000 at June 30, 2020. The project was completed during the year ended June 30, 2021.

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.

**THIRD SECTOR NEW ENGLAND, INC.
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Notes to Financial Statements

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. Grant revenue was \$1,245,963 and \$4,656,247 for the years ended June 30, 2021 and 2020, respectively, given eligible costs being incurred associated with this funding follow the grant accounting method. Formal forgiveness 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 14, 2021, the date the financial statements were authorized to be issued. Except as noted below, there were no subsequent events requiring accounting or disclosure through this period.

In August 2021, TSNE obtained a \$2,000,000 demand line of credit from TD Bank. The unpaid principal balance will bear an interest rate of LIBOR plus 1.50%.

Supplemental Information

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>ACEs Connection Network</i>	<i>Ada Developers Academy</i>	<i>Alliance for Nonprofit Management</i>	<i>A Way Home - Washington</i>	<i>A Way Home America</i>	<i>Basics</i>	<i>Blue Butterfly Collaborative</i>	<i>The BUILD Initiative</i>
Revenue:								
Federal grants and contracts	\$ -	\$ 1,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	44,456	160,976	1,300	2,250	1,300	56,605	1,170	525
Grants	3,097,500	167,844	-	666,000	1,060,264	220,000	1,312,034	6,659,159
CARES PPP loan forgiveness	(80)	3,674	744	13,242	4,930	9,199	-	145,042
Contract revenue	635,373	(276,228)	-	-	-	5,568	170,978	1,190,702
Interest income	-	16,094	-	-	-	-	-	-
Conference revenue	-	266	55,039	-	-	-	-	-
Membership dues and program fees	13,333	-	34,788	-	-	-	-	-
Property rental income	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	24,239	-	-
Total revenue	3,790,582	73,720	91,871	681,492	1,066,494	315,611	1,484,182	7,995,428
Program expenses:								
Salaries and wages	1,403,054	932,267	17,050	1,014,970	537,260	318,955	183,456	2,086,498
Employee benefits	362,706	241,947	1,574	263,628	144,670	82,609	46,862	523,976
Grants, awards, contributions	10	-	-	5,000	-	-	-	201,622
Professional fees	92,186	822,694	42,900	685,307	563,239	174,593	606,994	3,043,076
Occupancy	-	82,821	-	93,629	16,116	11,058	-	-
Postage and supplies	16,599	56,414	4,597	13,045	12,014	6,382	1,509	83,404
Travel	-	456	-	3,330	8,296	-	(59)	103,393
Printing and publications	36	1,789	-	2	2,500	2,554	-	10
Conference and meeting expense	1,538	3,645	(1,603)	8,729	4,296	-	1,560	67,086
Contract expense	-	-	-	-	-	-	-	-
Other expenses	2,255	49,746	1,328	7,110	550	4,050	1,740	2,490
Telephone/communications	9,704	26,168	6,736	24,768	1,630	4,997	400	72,961
Training	286	23,141	-	1,418	-	-	-	127
Depreciation and amortization	-	13,023	-	2,791	-	-	-	6,825
Equipment rental and maintenance	-	291,944	-	3,378	-	-	-	733
Accounting and legal expense	1,602	3,374	2,710	28	(4,071)	215	2,088	112
Insurance	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Administration fee to TSNE	189,006	216,446	-	232,528	140,973	74,800	118,223	440,444
Total expenses	2,078,982	2,765,875	75,292	2,359,661	1,427,473	680,213	962,773	6,632,757
Change in net assets	1,711,600	(2,692,155)	16,579	(1,678,169)	(360,979)	(364,602)	521,409	1,362,671
Net assets, beginning	805,149	2,698,306	70,439	3,641,706	774,667	672,757	743,986	2,940,329
Net assets, ending	\$ 2,516,749	\$ 6,151	\$ 87,018	\$ 1,963,537	\$ 413,688	\$ 308,155	\$ 1,265,395	\$ 4,303,000

See Independent Auditors' Report.

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>Building Movement Project</i>	<i>Campaign for a Commercial-Free Childhood</i>	<i>The Carrot Project</i>	<i>Center to Support Immigrant Organizing</i>	<i>The Civic Innovation</i>	<i>Civil Liberties and Public Policy</i>	<i>Collaborative Health Solutions</i>	<i>Commonwealth Seminar</i>
Revenue:								
Federal grants and contracts	\$ -	\$ -	\$ 71,803	\$ -	\$ -	\$ -	\$ 143,340	\$ -
Contributions	221,815	319,860	26,508	15,282	-	11,185,863	-	29,146
Grants	3,980,283	193,595	320,950	457,523	468,090	350,850	166,134	60,672
CARES PPP loan forgiveness	46,611	267	22,289	57	-	5,689	18,037	11
Contract revenue	105,959	-	5,281	40,186	-	-	216	-
Interest income	-	-	6,801	-	-	-	-	-
Conference revenue	-	-	-	2,700	-	2,000	-	-
Membership dues and program fees	-	-	-	-	-	-	-	310
Property rental income	-	-	-	-	-	-	-	-
Other revenue	-	120	-	-	-	35	-	-
Total revenue	4,354,668	513,842	453,632	515,748	468,090	11,544,437	327,727	90,139
Program expenses:								
Salaries and wages	1,266,745	399,195	257,046	146,815	115,938	544,849	175,414	37,628
Employee benefits	320,746	101,343	63,908	38,025	10,087	140,533	44,515	9,448
Grants, awards, contributions	13,659	-	2,015	293,773	-	6,000	-	-
Professional fees	777,579	84,830	81,127	26,100	55,000	206,124	-	10,000
Occupancy	70,360	25,826	-	11,400	-	12,000	-	-
Postage and supplies	100,721	8,067	3,925	5,688	-	27,727	428	943
Travel	2,071	-	203	2,172	-	281	12,682	-
Printing and publications	7,521	8,055	1	43	-	6,697	-	-
Conference and meeting expense	16,130	3,968	1,784	356	-	6,062	133	-
Contract expense	-	-	-	-	-	-	-	-
Other expenses	27,822	922	1,838	1,215	-	2,737	651	-
Telephone/communications	45,918	20,741	7,275	393	-	2,745	1,856	-
Training	12,304	815	108	-	-	2,465	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-
Accounting and legal expense	848	4,651	753	92	-	5,473	-	72
Insurance	-	-	-	-	-	-	-	-
Debt service	-	-	4,340	-	-	-	-	-
Administration fee to TSNE	234,194	78,977	56,144	45,777	18,102	114,240	29,034	5,832
Total expenses	2,896,618	737,390	480,467	571,849	199,127	1,077,933	264,713	63,923
Change in net assets	1,458,050	(223,548)	(26,835)	(56,101)	268,963	10,466,504	63,014	26,216
Net assets, beginning	3,427,102	473,625	313,545	182,914	-	453,136	43,106	44,633
Net assets, ending	\$ 4,885,152	\$ 250,077	\$ 286,710	\$ 126,813	\$ 268,963	\$ 10,919,640	\$ 106,120	\$ 70,849

See Independent Auditors' Report.

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>Community Boat Building</i>	<i>Community Health Network Area</i>	<i>Community Votes</i>	<i>The Connecticut School Finance Project</i>	<i>Constellation Philanthropy</i>	<i>Design Studio for Social Intervention</i>	<i>Early Care and Education (Policy Equity Group)</i>	<i>Early Childhood Fundors Collaborative</i>
Revenue:								
Federal grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	313,875	100	-	-	115,000	8,700	-	-
Grants	168,850	386,492	90,100	1,612,350	95,000	164,125	500,000	4,143,215
CARES PPP loan forgiveness	9,153	-	-	30,289	9,453	2,010	-	-
Contract revenue	25,200	-	1,750	63,681	-	167,460	-	-
Interest income	-	-	-	-	-	-	-	-
Conference revenue	3,737	-	-	-	-	-	-	-
Membership dues and program fees	-	-	-	-	-	-	-	626,667
Property rental income	1,645	-	-	-	-	-	-	-
Other revenue	15,208	2,625	-	2,950	-	8,689	-	100
Total revenue	537,668	389,217	91,850	1,709,270	219,453	350,984	500,000	4,769,982
Program expenses:								
Salaries and wages	167,084	39,079	48,005	950,635	191,758	143,737	-	279,769
Employee benefits	43,021	3,400	4,176	243,005	49,665	35,466	-	72,460
Grants, awards, contributions	-	72,000	20,000	3,000	-	-	-	1,303,100
Professional fees	-	80,206	2,500	22,074	17,060	25,240	484,398	252,601
Occupancy	8,307	-	-	18,305	-	20,400	-	-
Postage and supplies	18,235	5,695	115	31,811	218	5,146	-	744
Travel	192	-	-	-	141	7,553	-	45
Printing and publications	-	-	85	1,233	5,896	591	-	-
Conference and meeting expense	(10)	114	-	1,899	6	477	-	1,566
Contract expense	-	-	-	-	-	-	-	-
Other expenses	284,374	792	550	10,259	3,422	4,213	-	3,040
Telephone/communications	2,266	610	-	11,917	1,709	4,810	-	4,061
Training	-	2,200	-	370	-	-	-	50
Depreciation and amortization	-	-	-	1,924	-	-	-	-
Equipment rental and maintenance	1,425	-	-	-	-	660	-	-
Accounting and legal expense	291	-	-	72	-	573	-	221
Insurance	5,050	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Administration fee to TSNE	33,323	20,410	10,560	126,322	26,043	24,686	32,515	107,434
Total expenses	563,558	224,506	85,991	1,422,826	295,918	273,552	516,913	2,025,091
Change in net assets	(25,890)	164,711	5,859	286,444	(76,465)	77,432	(16,913)	2,744,891
Net assets, beginning	175,114	-	80,876	1,227,989	123,773	347,890	942,487	1,348,494
Net assets, ending	\$ 149,224	\$ 164,711	\$ 86,735	\$ 1,514,433	\$ 47,308	\$ 425,322	\$ 925,574	\$ 4,093,385

See Independent Auditors' Report.

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>Early Educator Investment Collaborative</i>	<i>EEIC Project Management Group</i>	<i>Farm to Institution New England</i>	<i>First Teacher</i>	<i>Financial Transparency Coalition</i>	<i>FRESH New London</i>	<i>Future Chefs</i>	<i>Gardening the Community</i>
Revenue:								
Federal grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500	\$ -	\$ 23,634
Contributions	-	-	9,009	72,309	52	64,864	143,159	178,494
Grants	3,000,000	334,428	346,000	141,712	769,754	234,924	556,713	366,208
CARES PPP loan forgiveness	-	-	4,137	3,568	2,229	3,275	29,302	4,911
Contract revenue	-	-	47,894	5,000	(593)	26,715	4,480	-
Interest income	-	-	-	-	-	-	-	-
Conference revenue	-	-	56,106	-	-	5,000	-	2,000
Membership dues and program fees	-	-	-	-	-	-	-	-
Property rental income	-	-	-	3,024	-	-	-	-
Other revenue	-	-	-	-	-	7,705	1,000	64,285
Total revenue	3,000,000	334,428	463,146	225,613	771,442	348,983	734,654	639,532
Program expenses:								
Salaries and wages	-	34,339	350,436	216,255	83,051	211,451	537,633	189,156
Employee benefits	-	8,894	89,874	41,749	21,510	42,321	128,666	43,916
Grants, awards, contributions	5,134,831	-	-	-	510,613	-	-	-
Professional fees	1,485,576	306	6,570	1,150	194,786	8,254	58,918	120,796
Occupancy	-	-	-	17,553	-	12,307	36,002	15,627
Postage and supplies	-	2,639	9,863	25,265	152	27,884	23,106	21,312
Travel	-	-	97	40	(2,762)	81	60	91
Printing and publications	-	-	1,677	352	-	441	2,018	1,945
Conference and meeting expense	-	-	528	332	-	1,210	48	1,131
Contract expense	-	-	-	-	100,529	-	-	-
Other expenses	-	-	5,350	1,224	1,017	953	11,191	85,223
Telephone/communications	982	473	8,690	2,840	5,016	49	10,182	9,908
Training	-	-	737	1,333	-	997	906	125
Depreciation and amortization	-	-	-	-	-	-	187,165	19,073
Equipment rental and maintenance	-	-	-	1,065	-	10,321	7,252	2,448
Accounting and legal expense	44,169	1	190	1,055	18,525	517	554	3,528
Insurance	-	-	-	-	-	4,432	13,846	698
Debt service	-	-	-	-	-	-	5,540	-
Administration fee to TSNE	199,967	5,598	58,735	42,931	67,490	32,459	109,096	63,777
Total expenses	6,865,525	52,250	532,747	353,144	999,927	353,677	1,132,183	578,754
Change in net assets	(3,865,525)	282,178	(69,601)	(127,531)	(228,485)	(4,694)	(397,529)	60,778
Net assets, beginning	15,775,645	-	837,269	351,345	783,410	230,328	3,444,488	853,762
Net assets, ending	\$ 11,910,120	\$ 282,178	\$ 767,668	\$ 223,814	\$ 554,925	\$ 225,634	\$ 3,046,959	\$ 914,540

See Independent Auditors' Report.

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>Global Family Research Project</i>	<i>Healthy Places by Design</i>	<i>Integrity Initiatives International</i>	<i>ISED Solutions</i>	<i>Lawrence Dream Network</i>	<i>Maine Food Strategy</i>	<i>Massachusetts Coalition of Domestic Workers</i>	<i>Massachusetts Farm to School</i>
Revenue:								
Federal grants and contracts	\$ -	\$ -	\$ 7,756	\$ 189,385	\$ -	\$ -	\$ -	\$ 4,041
Contributions	25,000	1,000	66,484	-	3,955	16,892	1,701	544
Grants	-	378,666	20,494	-	79,120	68,383	28,160	234,789
CARES PPP loan forgiveness	18,529	12,227	1,448	13,642	1,128	882	1,102	28,945
Contract revenue	-	828,042	-	-	-	-	45,000	4,125
Interest income	-	-	-	-	-	-	-	-
Conference revenue	-	-	-	-	-	-	-	1,500
Membership dues and program fees	-	-	-	-	-	-	-	860
Property rental income	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	264
Total revenue	43,529	1,219,935	96,182	203,027	84,203	86,157	75,963	275,068
Program expenses:								
Salaries and wages	87,699	748,245	82,093	119,923	20,723	27,984	53,618	203,785
Employee benefits	7,630	193,795	20,367	18,836	1,803	2,435	10,812	52,780
Grants, awards, contributions	-	-	-	-	-	-	4,500	-
Professional fees	120	166,462	-	4,800	-	16,325	23,250	51,828
Occupancy	-	3,665	283	150	-	-	-	-
Postage and supplies	-	5,646	373	5,245	2,430	1,036	986	11,980
Travel	-	179	-	-	-	-	-	743
Printing and publications	-	190	313	-	-	-	-	46
Conference and meeting expense	-	1,137	-	-	69	1,458	-	1,931
Contract expense	-	-	-	36,224	-	-	-	-
Other expenses	306	576	940	426	1,936	738	-	305
Telephone/communications	7,317	11,779	362	205	352	290	278	2,378
Training	-	-	-	-	214	-	-	352
Depreciation and amortization	-	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	850	-	-	-
Accounting and legal expense	1	11	74	-	1	6	222	68
Insurance	-	-	-	-	4,120	-	-	-
Debt service	-	-	-	-	-	-	-	-
Administration fee to TSNE	11,836	104,155	12,539	24,067	4,392	6,914	12,959	41,615
Total expenses	114,909	1,235,840	117,344	209,876	36,890	57,186	106,625	367,811
Change in net assets	(71,380)	(15,905)	(21,162)	(6,849)	47,313	28,971	(30,662)	(92,743)
Net assets, beginning	81,208	1,741,640	146,753	54,332	41,726	71,225	83,314	720,267
Net assets, ending	\$ 9,828	\$ 1,725,735	\$ 125,591	\$ 47,483	\$ 89,039	\$ 100,196	\$ 52,652	\$ 627,524

See Independent Auditors' Report.

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>Massachusetts Organization for Addiction Recovery</i>	<i>Massachusetts Voter Table</i>	<i>MLPB</i>	<i>Matahari Women Workers' Center</i>	<i>Mattapan Food and Fitness Coalition</i>	<i>Network for Public Health Law</i>	<i>National Network of Fiscal Sponsors</i>	<i>Population Health Improvement Partners</i>
Revenue:								
Federal grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,947
Contributions	17,848	10,000	12,000	25,408	5,216	1,615	80,489	-
Grants	1,120,939	245,636	277,735	475,069	239,787	9,129,633	-	673,984
CARES PPP loan forgiveness	57,636	1,112	35,235	2,103	704	6,115	-	93,743
Contract revenue	41,752	35,355	1,042,452	500	25,083	275,033	-	258,161
Interest income	-	-	-	-	-	-	-	-
Conference revenue	11,168	250	-	-	300	15,800	-	-
Membership dues and program fees	-	-	-	-	-	-	-	-
Property rental income	-	-	-	-	-	-	-	-
Other revenue	70	-	-	-	-	-	-	-
Total revenue	1,249,413	292,353	1,367,422	503,080	271,090	9,428,196	80,489	1,373,835
Program expenses:								
Salaries and wages	698,847	180,860	659,750	269,211	75,198	1,387,984	-	793,045
Employee benefits	174,034	45,239	170,875	66,899	14,643	357,411	-	210,827
Grants, awards, contributions	828	-	-	6,000	-	1,640,455	-	-
Professional fees	39,130	51,468	46,314	73,061	33,986	352,524	9,800	58,371
Occupancy	60,695	7,800	-	9,273	20,232	47,016	-	4,800
Postage and supplies	32,350	2,097	15,850	14,331	12,033	71,287	-	4,122
Travel	2,428	-	-	7	313	4,297	-	-
Printing and publications	42	4,084	107	424	2,700	-	-	-
Conference and meeting expense	245	-	140	-	186	41,579	6,000	5,459
Contract expense	-	25,000	-	-	-	-	-	-
Other expenses	2,109	32,120	6,098	118	1,173	11,144	-	24
Telephone/communications	25,167	86,446	14,632	26,995	3,751	10,578	1,226	12,318
Training	1,083	819	1,423	2,583	440	6,135	-	264
Depreciation and amortization	-	-	-	-	-	-	-	-
Equipment rental and maintenance	2,748	-	-	-	-	45	-	-
Accounting and legal expense	11,585	23	16	431	411	1,389	796	-
Insurance	-	-	3,374	-	-	3,875	-	-
Debt service	-	-	-	-	-	-	-	-
Administration fee to TSNE	139,112	52,181	102,368	64,572	19,723	323,912	-	111,567
Total expenses	1,190,403	488,137	1,020,947	533,905	184,789	4,259,631	17,822	1,200,797
Change in net assets	59,010	(195,784)	346,475	(30,825)	86,301	5,168,565	62,667	173,038
Net assets, beginning	102,087	489,864	620,223	427,413	273,355	4,657,263	142,801	213,542
Net assets, ending	\$ 161,097	\$ 294,080	\$ 966,698	\$ 396,588	\$ 359,656	\$ 9,825,828	\$ 205,468	\$ 386,580

See Independent Auditors' Report.

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>Providence Children and Youth Cabinet</i>	<i>Real Food Challenge</i>	<i>Rhode Island Food Policy Council</i>	<i>Rhode Island Land Trust Council</i>	<i>Safe Havens</i>	<i>Station1</i>	<i>Truth, Racial Healing, and Transformation Process</i>	<i>Workers Justice Project</i>
Revenue:								
Federal grants and contracts	\$ 348,492	\$ -	\$ 69,316	\$ -	\$ 242,452	\$ -	\$ -	\$ -
Contributions	-	51,104	-	28,201	6,113	-	-	66,323
Grants	680,890	759,550	623,607	106,851	8,496	(234,504)	-	1,263,661
CARES PPP loan forgiveness	54,768	-	16,361	1,993	12,125	-	-	-
Contract revenue	265,641	7,925	27,094	4,250	20,588	-	156,201	1,814,137
Interest income	-	-	-	-	-	-	-	-
Conference revenue	-	-	-	9,887	7,385	-	-	-
Membership dues and program fees	-	-	-	8,125	-	-	-	235,995
Property rental income	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	(2,994)	-	134
Total revenue	1,349,791	818,579	736,378	159,307	297,159	(237,498)	156,201	3,380,250
Program expenses:								
Salaries and wages	448,152	474,643	239,928	105,983	240,742	51,442	123,731	716,583
Employee benefits	116,071	116,563	57,747	27,449	61,964	13,323	32,046	185,428
Grants, awards, contributions	-	1,000	-	-	-	-	-	-
Professional fees	539,376	32,955	145,893	42,074	21,450	14,078	-	323,340
Occupancy	37,263	-	3,150	6,250	21,000	58,067	-	158,917
Postage and supplies	31,800	4,707	23,437	4,702	2,482	4,934	597	232,529
Travel	(1,016)	89	328	-	25	-	-	22,336
Printing and publications	1,569	930	951	-	375	-	-	115,192
Conference and meeting expense	783	992	798	50	72	-	-	15,897
Contract expense	-	-	-	-	4,524	-	-	-
Other expenses	1,707	731	17,275	2,168	12,490	300	-	2,153
Telephone/communications	4,817	19,064	4,565	1,163	4,791	1,586	1,434	39,573
Training	-	1,245	15,011	720	470	-	-	749
Depreciation and amortization	1,505	-	-	-	-	-	-	4,716
Equipment rental and maintenance	1,650	-	-	-	-	-	-	31,789
Accounting and legal expense	23	1,158	204	109	350	231	-	1,446
Insurance	-	-	-	-	-	-	-	198
Debt service	-	-	-	-	-	-	-	-
Administration fee to TSNE	149,136	71,839	55,904	22,641	50,205	14,396	18,937	260,652
Total expenses	1,332,836	725,916	565,191	213,309	420,940	158,357	176,745	2,111,498
Change in net assets	16,955	92,663	171,187	(54,002)	(123,781)	(395,855)	(20,544)	1,268,752
Net assets, beginning	411,545	418,387	166,894	281,122	210,103	395,855	31,069	359,702
Net assets, ending	\$ 428,500	\$ 511,050	\$ 338,081	\$ 227,120	\$ 86,322	\$ -	\$ 10,525	\$ 1,628,454

See Independent Auditors' Report.

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

Supplemental Schedule of Activities for Fiscal Sponsorship Programs and Services

Year Ended June 30, 2021

	<i>Limited Projects</i>	<i>Total</i>
Revenue:		
Federal grants and contracts	\$ -	\$ 1,455,760
Contributions	9,529	13,402,040
Grants	(5,883)	48,265,832
CARES PPP loan forgiveness	-	727,837
Contract revenue	(1,105)	7,069,856
Interest income	-	22,895
Conference revenue	-	173,138
Membership dues and program fees	-	920,078
Property rental income	-	4,669
Other revenue	(772)	123,658
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Total revenue	1,769	72,165,763
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Program expenses:		
Salaries and wages	-	20,689,697
Employee benefits	-	5,183,677
Grants, awards, contributions	110,971	9,329,377
Professional fees	-	12,078,789
Occupancy	2,000	892,272
Postage and supplies	3,221	1,001,823
Travel	-	168,092
Printing and publications	-	170,369
Conference and meeting expense	-	197,781
Contract expense	-	166,277
Other expenses	8,573	619,472
Telephone/communications	-	570,872
Training	-	78,890
Depreciation and amortization	6,144	243,166
Equipment rental and maintenance	249	356,557
Accounting and legal expense	1,117	107,315
Insurance	-	35,593
Debt service	-	9,880
Administration fee to TSNE	9,560	4,641,248
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Total expenses	141,835	56,541,147
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Change in net assets	(140,066)	15,624,616
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Net assets, beginning	188,306	56,138,266
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Net assets, ending	\$ 48,240	\$ 71,762,882
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See Independent Auditors' Report.

THIRD SECTOR NEW ENGLAND, INC.
D/B/A TSNE MissionWorks
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<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	\$ -	\$ 348,492
Total U.S. Department of Health and Human Services Direct Program			<u>-</u>	<u>348,492</u>
U.S. Department of Health and Human Services Pass-Through Programs:				
Passed-through The University of North Carolina at Chapel Hill Maternal and Child Health Federal Consolidated Program	93.110	6 UE7MC26282-08-02	-	85,636
Passed-through Trustees of Boston University Maternal and Child Health Federal Consolidated Program	93.110	6 UJ6MC32737-03-01	-	191,335
Passed-through National Association of Community Health Centers Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	CDC-861.01	-	16,451
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	00040391	-	122,793
Passed-through Abt Associates Inc. Data and Technical Assistance Task Order to Support the Infant Mortality	93.Unknown	HHSP2332095624WC	-	70,975
Total U.S. Department of Health and Human Services Pass-Through Programs			<u>-</u>	<u>487,190</u>
Total U.S. Department of Health and Human Services			<u>-</u>	<u>835,682</u>
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			<u>-</u>	<u>6,500</u>
U.S. Department of Justice Direct Program:				
OVW Technical Assistance Initiative	16.526	N/A	4,524	242,452
Total U.S. Department of Justice			<u>4,524</u>	<u>242,452</u>
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	-	70,676
Total U.S. Department of Northern Border Regional Commission Pass-Through Program			<u>-</u>	<u>70,676</u>
Balance Forward			<u>\$ 4,524</u>	<u>\$ 1,155,310</u>

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

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

<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>
Balance Forward			\$ 4,524	\$ 1,155,310
U.S. Department of Labor Pass-Through Program:				
Passed-through Seattle Central College H-1B Job Training Grants	17.268	HG-29361-16-60-A-53	-	1,094
Total U.S. Department of Labor Pass-Through Program			-	1,094
U.S. Department of Agriculture Direct Programs:				
Beginning Farmer and Rancher Development Program	10.311	N/A	-	64,711
Rural Business Development Grant	10.351	N/A	-	33,535
Risk Management Education Partnerships	10.460	N/A	-	1,009
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443	N/A	36,224	123,665
Farm to School Grant Program	10.575	N/A	-	4,041
Total U.S. Department of Agriculture Direct Programs			36,224	226,961
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	-	11,108
Passed-through Community Involved in Sustaining Agriculture Farmers Market and Local Food Promotion Program	10.175	AM190100XXXG150; AM200100XXXG189	-	50,845
Passed-through University of Delaware Cooperative Extension Service	10.500	2018-70027-28588	-	2,686
Total U.S. Department of Agriculture Pass-Through Programs			-	64,639
Total U.S. Department of Agriculture Programs			36,224	291,600
U.S. Department of State Pass-Through Program:				
Passed-through Department of National Endowment for Democracy International Programs to Support Democracy, Human Rights and Labor	19.345	2019-1404	-	7,756
Total U.S. Department of State Programs			-	7,756
Total Federal Pass-Through Programs			36,224	300,450
Total Expenditures of Federal Awards			\$ 40,748	\$ 1,455,760

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

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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") D/B/A TSNE MissionWorks under programs of the federal government for the year ended June 30, 2021. 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



*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") D/B/A TSNE MissionWorks, which comprise the statement of financial position as of June 30, 2021, 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 14, 2021.

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.



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.

December 14, 2021
Boston, Massachusetts

Reporting Under the Uniform Guidance



*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

We have audited Third Sector New England, Inc.'s ("TSNE") D/B/A TSNE MissionWorks compliance with the types of compliance requirements described 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, 2021. TSNE's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for TSNE's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TSNE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of TSNE's compliance.



Opinion on Each Major Federal Program

In our opinion, TSNE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of TSNE is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered TSNE's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TSNE's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

December 14, 2021
Boston, Massachusetts

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

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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.
D/B/A TSNE MissionWorks**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section 2

Financial Statement Findings

None noted.

Section 3

Federal Award Findings and Questioned Costs

None noted.