

THINK SMALL

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2020 AND 2019

**THINK SMALL
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YEARS ENDED JUNE 30, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Think Small
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Think Small, which comprise the statements of financial position as of June 30, 2020 and 2019, 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. 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 Think Small as of June 30, 2020 and 2019, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of changes in net assets by program – unaudited, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 2, 2020

THINK SMALL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 351,158	\$ 990,744
Accounts Receivable - Trade, Net	621,667	641,969
Program Receivables - Net	2,966,239	3,637,403
Pledges Receivable	227,700	191,025
Prepaid Expenses	154,587	125,800
Inventory, Net	476,142	488,884
Total Current Assets	4,797,493	6,075,825
NONCURRENT ASSETS		
Investments	1,609,059	1,700,024
Capitalized Development Costs, Net	1,077,458	1,168,509
Intangible Assets, Net	3,707	6,048
Security Deposits	6,119	13,500
Pledges Receivable	94,400	-
Property and Equipment, Net	1,063,346	1,035,934
Total Noncurrent Assets	3,854,089	3,924,015
Total Assets	\$ 8,651,582	\$ 9,999,840
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Note Payable	\$ 219,658	\$ 23,616
Line of Credit	262,488	-
Accounts Payable	2,490,357	3,575,760
Accrued Salary and Related Taxes	467,820	457,808
Other Accrued Expenses	381,849	832,633
Contract Advances	1,224,056	941,681
Deferred Revenue	16,194	35,844
Total Current Liabilities	5,062,422	5,867,342
LONG-TERM NOTE PAYABLE	393,347	164,899
Total Liabilities	5,455,769	6,032,241
NET ASSETS		
Net Assets Without Donor Restrictions	2,694,347	3,691,206
Net Assets With Donor Restrictions	501,466	276,393
Total Net Assets	3,195,813	3,967,599
Total Liabilities and Net Assets	\$ 8,651,582	\$ 9,999,840

See accompanying Notes to Financial Statements.

**THINK SMALL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 531,021	\$ 621,600	\$ 1,152,621
In-Kind Contributions	1,729	-	1,729
Government Contracts	25,102,539	-	25,102,539
Other Contracts	757,600	-	757,600
Program Service Fees	266,867	-	266,867
Publication Sales	2,866,899	-	2,866,899
Interest and Dividends	9,672	-	9,672
Gains (Losses) on Investments	(75,836)	-	(75,836)
Other Revenue	105,790	-	105,790
Net Assets Released from Restriction Upon Satisfaction of Time and Program Restrictions	396,527	(396,527)	-
Total Revenues and Support	<u>29,962,808</u>	<u>225,073</u>	<u>30,187,881</u>
EXPENSES			
Program Expenses:			
Prepare Providers	7,643,376	-	7,643,376
Strengthen Families	21,420,154	-	21,420,154
Catalyze Change	217,721	-	217,721
Total Program Expenses	<u>29,281,251</u>	<u>-</u>	<u>29,281,251</u>
Support Services:			
Management and General	1,363,925	-	1,363,925
Fundraising	314,491	-	314,491
Total Support Services	<u>1,678,416</u>	<u>-</u>	<u>1,678,416</u>
Total Expenses	<u>30,959,667</u>	<u>-</u>	<u>30,959,667</u>
CHANGE IN NET ASSETS	(996,859)	225,073	(771,786)
Net Assets - Beginning of Year	<u>3,691,206</u>	<u>276,393</u>	<u>3,967,599</u>
NET ASSETS - END OF YEAR	<u>\$ 2,694,347</u>	<u>\$ 501,466</u>	<u>\$ 3,195,813</u>

See accompanying Notes to Financial Statements.

**THINK SMALL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 348,432	\$ 114,435	\$ 462,867
In-Kind Contributions	1,120	-	1,120
Government Contracts	28,517,473	-	28,517,473
Other Contracts	1,220,652	-	1,220,652
Program Service Fees	364,311	-	364,311
Publication Sales	3,297,797	-	3,297,797
Interest and Dividends	242	-	242
Gains (Losses) on Investments	107,077	-	107,077
Other Revenue	70,311	-	70,311
Net Assets Released from Restriction Upon			
Satisfaction of Time and Program Restrictions	1,175,796	(1,175,796)	-
Total Revenues and Support	<u>35,103,211</u>	<u>(1,061,361)</u>	<u>34,041,850</u>
EXPENSES			
Program Expenses:			
Prepare Providers	7,945,677	-	7,945,677
Strengthen Families	25,514,045	-	25,514,045
Catalyze Change	320,333	-	320,333
Total Program Expenses	<u>33,780,055</u>	<u>-</u>	<u>33,780,055</u>
Support Services:			
Management and General	1,316,426	-	1,316,426
Fundraising	350,152	-	350,152
Total Support Services	<u>1,666,578</u>	<u>-</u>	<u>1,666,578</u>
Total Expenses	<u>35,446,633</u>	<u>-</u>	<u>35,446,633</u>
CHANGE IN NET ASSETS	(343,422)	(1,061,361)	(1,404,783)
Net Assets - Beginning of Year	<u>4,034,628</u>	<u>1,337,754</u>	<u>5,372,382</u>
NET ASSETS - END OF YEAR	<u>\$ 3,691,206</u>	<u>\$ 276,393</u>	<u>\$ 3,967,599</u>

See accompanying Notes to Financial Statements.

THINK SMALL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	2020						
	Program				Management and General	Fundraising	Total
	Prepare Providers	Strengthen Families	Catalyze Change	Total Program			
Salaries	\$ 2,475,558	\$ 1,620,590	\$ 165,810	\$ 4,261,957	\$ 535,936	\$ 210,928	\$ 5,008,822
Payroll Taxes	179,071	116,157	11,529	306,757	39,087	14,230	360,074
Employee Benefits	272,358	180,761	12,710	465,830	75,333	18,208	559,371
Total Salaries and Benefits	<u>2,926,987</u>	<u>1,917,508</u>	<u>190,049</u>	<u>5,034,544</u>	<u>650,357</u>	<u>243,366</u>	<u>5,928,267</u>
Contract Services	260,780	32,132	7,740	300,652	339,175	5,006	644,833
Travel	44,902	2,455	5,479	52,836	5,014	5,737	63,587
Conferences, Meetings, and Training	44,542	1,490	1,595	47,627	638	348	48,613
Supplies	6,745	3,572	162	10,479	3,485	863	14,827
Postage and Shipping	256,805	15,943	35	272,783	3,365	3,516	279,664
Printing and Copying	161,548	29,050	464	191,062	9,673	7,548	208,283
Sales and Marketing	343,953	1,085	-	345,038	9,969	278	355,285
Occupancy	120,219	29,164	3,983	153,366	1,741	2,992	158,099
Building Maintenance	62,557	32,444	1,940	96,941	59,292	5,077	161,310
Telephone	45,615	23,725	1,399	70,739	25,590	1,953	98,282
Computer Expense	57,783	3,565	1,213	62,561	68,295	5,319	136,175
Equipment and Repairs	8,942	-	-	8,942	11,850	-	20,792
Depreciation and Amortization	356,807	52,902	2,992	412,701	69,250	6,902	488,853
Insurance	14,250	7,787	518	22,555	46,361	972	69,888
Professional Fees	7,085	-	-	7,085	35,280	-	42,365
Grants	1,983,894	-	-	1,983,894	17	-	1,983,911
Scholarships	10,706	19,265,441	-	19,276,147	(2,085)	-	19,274,062
Bad Debts	(2)	-	-	(2)	15,180	18,753	33,931
Credit Card and Bank Fees	32,574	-	-	32,574	10,154	2,936	45,664
Interest	3,066	1,698	102	4,866	8,014	273	13,153
In-Kind Supplies	-	-	-	-	-	1,729	1,729
Subscriptions and Dues	4,814	141	50	5,005	2,565	878	8,448
Miscellaneous	6,586	52	-	6,638	1,064	45	7,747
Total	<u>6,761,158</u>	<u>21,420,154</u>	<u>217,721</u>	<u>28,399,033</u>	<u>1,374,244</u>	<u>314,491</u>	<u>30,087,768</u>
Cost of Sales	<u>882,218</u>	<u>-</u>	<u>-</u>	<u>882,218</u>	<u>(10,319)</u>	<u>-</u>	<u>871,899</u>
Total Expenses by Function	<u>\$ 7,643,376</u>	<u>\$ 21,420,154</u>	<u>\$ 217,721</u>	<u>\$ 29,281,251</u>	<u>\$ 1,363,925</u>	<u>\$ 314,491</u>	<u>\$ 30,959,667</u>

See accompanying Notes to Financial Statements.

THINK SMALL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	2019						
	Program				Management and General	Fundraising	Total
	Prepare Providers	Strengthen Families	Catalyze Change	Total Program			
Salaries	\$ 2,436,859	\$ 1,641,928	\$ 147,337	\$ 4,226,124	\$ 715,458	\$ 240,672	\$ 5,182,254
Payroll Taxes	180,701	111,740	16,816	309,257	50,677	17,080	377,014
Employee Benefits	330,456	217,476	24,465	572,397	72,160	21,891	666,448
Total Salaries and Benefits	<u>2,948,016</u>	<u>1,971,144</u>	<u>188,618</u>	<u>5,107,778</u>	<u>838,295</u>	<u>279,643</u>	<u>6,225,716</u>
Contract Services	376,310	53,284	101,885	531,479	257,102	14,175	802,756
Travel	72,115	5,034	7,153	84,302	7,747	8,463	100,512
Conferences, Meetings, and Training	49,044	2,457	578	52,079	7,857	1,228	61,164
Supplies	8,376	4,312	163	12,851	2,488	1,399	16,738
Postage and Shipping	295,935	18,066	69	314,070	2,616	6,341	323,027
Printing and Copying	197,853	32,275	590	230,718	8,162	11,286	250,166
Sales and Marketing	478,358	7,783	1,258	487,399	4,053	568	492,020
Occupancy	134,026	10,607	4,705	149,338	22,814	6,014	178,166
Building Maintenance	73,865	27,310	3,168	104,343	20,876	4,732	129,951
Telephone	38,077	25,997	1,704	65,778	10,543	1,995	78,316
Computer Expense	52,089	5,761	3,388	61,238	25,698	5,410	92,346
Equipment and Repairs	15,288	7,386	6	22,680	1,898	10	24,588
Depreciation and Amortization	403,282	41,208	4,481	448,971	28,688	6,959	484,618
Insurance	19,750	8,784	692	29,226	31,203	1,081	61,510
Professional Fees	4,858	5,777	-	10,635	37,928	-	48,563
Grants	1,645,896	229	1,556	1,647,681	243	-	1,647,924
Scholarships	-	23,285,130	-	23,285,130	-	-	23,285,130
Bad Debts	1,410	-	-	1,410	-	(2,925)	(1,515)
Credit Card and Bank Fees	33,399	-	-	33,399	1,722	1,590	36,711
Interest	5,640	1,501	173	7,314	1,200	262	8,776
In-Kind Supplies	-	-	-	-	-	1,120	1,120
Subscriptions and Dues	3,714	-	146	3,860	4,491	801	9,152
Miscellaneous	-	-	-	-	802	-	802
Total	<u>6,857,301</u>	<u>25,514,045</u>	<u>320,333</u>	<u>32,691,679</u>	<u>1,316,426</u>	<u>350,152</u>	<u>34,358,257</u>
Cost of Sales	<u>1,088,376</u>	<u>-</u>	<u>-</u>	<u>1,088,376</u>	<u>-</u>	<u>-</u>	<u>1,088,376</u>
Total Expenses by Function	<u>\$ 7,945,677</u>	<u>\$ 25,514,045</u>	<u>\$ 320,333</u>	<u>\$ 33,780,055</u>	<u>\$ 1,316,426</u>	<u>\$ 350,152</u>	<u>\$ 35,446,633</u>

See accompanying Notes to Financial Statements.

THINK SMALL
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (771,786)	\$ (1,404,783)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	226,619	216,285
Amortization	262,234	268,333
(Gains) Losses on Investments	75,836	(107,077)
Loss on Sale of Property and Equipment	1,063	-
Changes in Certain Assets and Liabilities:		
Accounts Receivable - Trade	20,302	22,715
Program Receivables	671,164	1,122,512
Pledges Receivable	(131,075)	260,925
Prepaid Expenses	(28,787)	50,417
Inventory	12,742	94,916
Capitalized Development Costs	(168,842)	(142,593)
Securities Deposits	7,381	-
Accounts Payable	(1,085,403)	342,682
Accrued Salary and Related Taxes	10,012	(50,165)
Other Accrued Expenses	(450,784)	(538,332)
Contract Advances	282,375	21,681
Deferred Revenue	(19,650)	(21,519)
Net Cash Provided (Used) by Operating Activities	(1,086,599)	135,997
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(255,094)	(154,642)
Purchase of Investments	(67,313)	(677,937)
Sales of Investments	82,442	690,004
Net Cash Used by Investing Activities	(239,965)	(142,575)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Note Payable	449,400	-
Advances on Line of Credit	262,488	-
Payments on Note Payable	(24,910)	(22,716)
Net Cash Provided (Used) by Financing Activities	686,978	(22,716)
DECREASE IN CASH AND CASH EQUIVALENTS	(639,586)	(29,294)
Cash and Cash Equivalents - Beginning of Year	990,744	1,020,038
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 351,158	\$ 990,744
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 13,153	\$ 8,776

See accompanying Notes to Financial Statements.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 DESCRIPTION OF ORGANIZATION

Think Small is a nonprofit organization working to advance quality care and education of children in their early years. We use leading-edge knowledge from the early childhood field to create services and tools that support and strengthen the abilities of families and early childhood professionals.

Prepare Providers

Professional Development, Consultation, and Coaching

Think Small provides professional development opportunities focused on the essential elements of providing high-quality care. Opportunities include classes and workshops provided in English, Spanish, Hmong, Somali, Oromo, Amharic, and Karen; individual and site-based consultation and coaching support; business support to help maintain a successful childcare business; and career guidance for certification and licensing. Over 11,000 child care providers take part in trainings and coaching every year.

Community Outreach and Access

Think Small's multilingual Outreach staff connects with historically underserved communities, including those in low-income neighborhoods, English Language Learners (ELL), communities of color, immigrant and refugee families, so they can fully engage in Minnesota's early childhood care and education system. Staff assist nearly 1,000 new immigrant and other families and providers navigating complex government systems, connecting them to resources and services available at Think Small and other organizations. Staff provide language translation and interpretation for providers and families.

Publishing

Redleaf Press is our award-winning, international publisher of exceptional early learning curriculum, professional development materials, and business resources. Redleaf publishes more than a dozen new titles every year and has approximately 400 titles in print. Redleaf Press has 56 books translated into 12 different languages. Over 200,000 products are distributed each year to customers both in the U.S. and abroad.

Library

Think Small operates a unique early childhood library as a branch of the St. Paul Public Library. Now numbering over 6,500 items, the library's collection is a part of Minnesota's public interlibrary loan system and materials can be delivered to all public libraries statewide.

Strengthen Families

Family Engagement

Think Small ParentPowered texting delivers evidence-based texting messages to parents and caregivers for children birth to five years old. These short text messages encourage parents to do fun and engaging activities with their children to support their development and help assure they will be ready for kindergarten. Over 10,000 families are currently enrolled.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 DESCRIPTION OF ORGANIZATION (CONTINUED)

Strengthen Families (Continued)

Scholarships and Other Financial Supports

Think Small serves providers and families with targeted financial supports. Annually, Think Small administers over 4,700 eligibility-based scholarships for families to enroll children in quality childcare programs in order to reduce opportunity gaps.

Catalyze Change

Beanstalk

Think Small has an innovation lab where high-potential services are developed, implemented and when merited, scaled, with the end goal of ensuring every child in Minnesota is ready for kindergarten.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Basis of Accounting

Think Small prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned, and expenses when obligations are incurred.

Financial Statement Presentation

Revenues and support are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

Net Assets Without Donor Restrictions – Resources over which the board of directors has discretionary control.

Net Assets With Donor Restrictions – Resources subject to a donor-imposed restriction which will be satisfied by actions of the Organization or the passage of time. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Think Small does not have any perpetually restricted net assets as of June 30, 2020 and 2019.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash or short-term investments with an original maturity of three months or less are considered to be cash equivalents, except cash restricted for long-term purposes is not considered a cash equivalent.

Concentrations of Credit Risk

Think Small maintains several bank accounts at one financial institution which are insured by the Federal Deposit Insurance Corporation up to \$250,000. Although at times the amount on deposit in these accounts may exceed the federally insured limit, Think Small has never experienced any losses.

Change in Accounting Principle

In June 2018, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in the update assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Think Small's financial statements reflect the application of ASU 2018-08 guidance beginning in fiscal year 2020. The adoption of ASU 2018-08 did not impact Think Small's reported revenue or expenses.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Think Small had a modified retrospective adoption to the ASU beginning in fiscal year 2020. The adoption of Topic 606 did not impact Think Small's reported revenue.

Receivables

Accounts receivable – Trade and program receivables are stated at the amount management expects to collect. Management reviews receivable balances quarterly and establishes an allowance based on expected collections. The program receivables are all current and are due in one year or less.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables (Continued)

The accounts receivable – trade aging is as follows:

	<u>2020</u>	<u>2019</u>
Current	\$ 395,342	\$ 493,091
1 to 30 Days Due	113,213	117,152
31 to 60 Days Due	76,560	27,958
61 to 90 Days Due	9,834	1,977
90+ Days Due	<u>28,411</u>	<u>3,582</u>
Total Face Value of Accounts Receivable - Trade	623,360	643,760
Less: Allowance for Uncollectible Accounts	<u>(1,693)</u>	<u>(1,791)</u>
Total Accounts Receivable - Trade	<u><u>\$ 621,667</u></u>	<u><u>\$ 641,969</u></u>

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established through a provision charged to expense. Accounts receivable are charged against the allowance for doubtful accounts when management believes that the collectability of the balance is unlikely. The allowance is an amount that management believes will be adequate to absorb possible losses on existing accounts receivable that may become uncollectible, based on evaluations of the collectability of individual accounts receivable and prior accounts receivable loss experience. The evaluations take into consideration such factors as receivable quality, review of specific problem receivables, and current economic conditions that may affect the client's ability to pay. The allowance for uncollectible trade accounts was \$1,693 and \$1,791 for the years ended June 30, 2020 and 2019, respectively. The allowance for uncollectible program accounts was \$2,888 for the years ended June 30, 2020 and 2019. When all collection efforts have been exhausted, the accounts are written off against the related allowance.

Pledges Receivable

Pledges receivable are stated at the amount management expects to collect. Management reviews receivable balances annually and establishes an allowance based on expected collections. The pledges receivable aging is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 227,700
2022	<u>100,000</u>
Total Pledges Receivable	327,700
Less: Allowance for Uncollectible Accounts	<u>(5,600)</u>
Total Pledges Receivable, Net	<u><u>\$ 322,100</u></u>

The allowance for pledges receivable was \$5,600 and \$12,550 for the years ended June 30, 2020 and 2019, respectively.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory consists of Early Childhood Education books and publications held for resale by Think Small. Such inventory is valued at the lower of cost or net realizable value, with cost being determined by title on an average cost basis. An allowance for excess and obsolete inventory has been recorded for books, which may be unsaleable based on historical data. The allowances for obsolescence are \$224,182 and \$215,664 at June 30, 2020 and 2019, respectively.

Investments

Investments are stated at fair value based either on quoted market prices, or for certain investments with no readily available quoted market prices, on fair values as determined by management based on review of inputs provided by the investment manager on a monthly basis. Realized and unrealized gains and losses are recorded within the period in which they occur and are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Realized and unrealized gains and losses are included in the statement of activities. Marketable securities contributed by donors are recorded at fair market value at the time of the contribution.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. Think Small has elected to measure all investments at fair value. Think Small may elect to measure newly acquired financial instruments at fair value in the future.

Fair Value Measurements

Think Small measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Think Small may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The fair value measurement categorizes the inputs used to measure the fair value into the following three categories:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that Think Small has the ability to access as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect Think Small's own assumptions about the factors market participants would use in pricing investments, and is based on the best information available in the circumstances.

Capitalized Development Costs

Capitalized development costs represent pre-publishing development costs of books. Such costs are amortized over their estimated useful lives which are typically 10 years, though shorter time periods may be used in certain cases. Amortization is 15% per year for the first three years, 10% for the next four years, and 5% for the final three years. Costs associated with discontinued publications are written off and charged to expense in the period discontinued.

Property and Equipment

Property and equipment are carried at cost, with the exception of donated items, which are recorded at estimated fair market value at the date of gift. Think Small capitalizes all items over \$1,000 which provides a future benefit of more than one year. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Maintenance and repairs are expensed as incurred. Major renewals or betterments that extend the lives of property and equipment are capitalized. Management annually reviews these assets to determine whether carrying values have been impaired.

Absent explicit donor restrictions regarding how long-lived donated assets must be maintained, Think Small reports the expiration of donor restrictions when the donated or acquired assets are placed in service.

Contribution Revenue Recognition

Contributions are recognized when the donor makes an unconditional promise to give to Think Small. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and transferred to net assets without donor restrictions when the restriction expires or the condition is met.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Contracts

Government contract funds are generally considered nonexchange transactions and are recorded as revenue when earned as conditions on eligible expenditures are met. Revenue is earned when eligible expenditures, as defined in each grant or contract, are incurred. Funds received but not yet earned are recorded as contract advances if the contract contains conditions. At June 30, 2020 and 2019, approximately 70% and 76% of government contract revenue was from the state of Minnesota, respectively. Think Small received government grants of \$10,197,493 that have not been recognized as of June 30, 2020.

Other Contract Revenue

Contract revenue relates to amounts received from organizations to fund various projects undertaken by Think Small. Revenue related to such contracts is recognized as services are provided over the life of the contract as conditions are met. Expenses are recorded as incurred. Amounts received related to contract revenue and not yet earned are recorded as contract advances if the contract contains conditions.

In-Kind Contributions

Donated materials are recorded as contributions, when received, at their estimated fair market value. During the years ended June 30, 2020 and 2019, Think Small received program supplies of \$1,729 and \$1,120, respectively.

Program Service Fees

Revenue from program service fees is recognized when billed, which approximates when services are provided. Amounts collected in advance of performing the services are recorded at year-end as deferred revenue.

Publication Sales

Revenue from publication sales is recognized at the time of the sale.

Functional Expenses

Expenses have been recorded in program service and support service categories based on specific identification. In the absence of specific identification, expenses have been allocated based on staff time spent in each category and space. The time allocations are based on estimates made by management.

Shipping and Handling

Think Small records shipping and handling costs to postage and shipping expense. Shipping and handling was \$126,868 and \$124,718 in the years ended June 30, 2020 and 2019, respectively.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Think Small is a Minnesota nonprofit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable Minnesota Statutes, except to the extent it has taxable income from businesses that are not related to its exempt purpose. Management believes Think Small did not have any unrelated business income in the years ended June 30, 2020 or 2019.

Think Small follows the income tax standard regarding the recognition and measurement of uncertain tax positions. Think Small is not aware of any uncertain tax positions it has taken. Think Small is not currently under examination by any taxing jurisdiction.

COVID-19

In March 2020, the World Health Organization declared a pandemic of the Corona Virus (COVID-19). Future contributions, revenues, and expenses of Think Small are uncertain due to the potential impact on the market, travel, and other economic conditions. In addition, domestic equity markets have experienced significant fluctuations since March 2020. As of November 2, 2020, the amount and likelihood of loss relating to these events is not determined.

Subsequent Events

In preparing these financial statements, Think Small has evaluated events and transactions for potential recognition or disclosure through November 2, 2020, the date the financial statements were available to be issued.

NOTE 3 INVESTMENTS

Think Small's investments consist of the following as of June 30:

	2020	2019
Whitebox Relative Value Fund, Ltd.	\$ 406,669	\$ 455,507
Whitebox Credit Fund, Ltd.	298,251	343,968
Money Market Funds	15,220	18,473
Exchange Traded Funds, Closed End Funds	888,919	882,076
Total	\$ 1,609,059	\$ 1,700,024

NOTE 4 FAIR VALUE MEASUREMENTS

Think Small uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how Think Small values assets and liabilities, refer to Note 2 – Summary of Significant Accounting Policies.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values of marketable securities measured on a recurring basis at June 30 are as follows:

	2020			
	Total	Level 1	Level 2	Level 3
Investments Accounted for at Net Asset Value	\$ 704,920	\$ -	\$ -	\$ -
Money Market Funds	15,220	15,220	-	-
Exchange Traded Funds, Closed End Funds	888,919	888,919	-	-
Total	<u>\$ 1,609,059</u>	<u>\$ 904,139</u>	<u>\$ -</u>	<u>\$ -</u>

	2019			
	Total	Level 1	Level 2	Level 3
Investments Accounted for at Net Asset Value	\$ 799,475	\$ -	\$ -	\$ -
Money Market Funds	18,473	18,473	-	-
Exchange Traded Funds, Closed End Funds	882,076	882,076	-	-
Total	<u>\$ 1,700,024</u>	<u>\$ 900,549</u>	<u>\$ -</u>	<u>\$ -</u>

Assets Measured Using Net Asset Value per Share (or its Equivalent)

Think Small values certain investment holdings at fair value using their net asset value and has the ability to redeem its investments with the investee at the net asset value per share (or its equivalent) at the measurement date.

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30 are as follows:

	2020			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Whitebox Relative Value Fund, Ltd.	\$ 406,669	\$ -	Quarterly	60 Days
Whitebox Credit Fund, Ltd.	298,251	-	Quarterly	60 Days
Total	<u>\$ 704,920</u>	<u>\$ -</u>		

	2019			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Whitebox Relative Value Fund, Ltd.	\$ 455,507	\$ -	Quarterly	60 Days
Whitebox Credit Fund, Ltd.	343,968	-	Quarterly	60 Days
Total	<u>\$ 799,475</u>	<u>\$ -</u>		

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Whitebox Relative Value Fund, Ltd. (the Relative Value Fund) is a “feeder” entity in a “master-feeder” structure, whereby the Relative Value Fund invests substantially all of its assets in Whitebox Relative Value Partners, L.P. (the Relative Value Master Fund). The Relative Value Master Fund’s investment objective is to provide superior short-term, risk-adjusted returns through a convertible arbitrage trading strategy. To accomplish this, the Relative Value Master Fund invests primarily in convertible debt, equity, and other securities of United States issuers. In addition to its investment in the Relative Value Master Fund, the Relative Value Fund holds an investment in an affiliated limited liability company. The fair value of the fund has been estimated using the net asset value per share of the investments.

Whitebox Credit Fund, Ltd. (the Credit Fund) is a “feeder” entity in a “master-feeder” structure, whereby the Credit Fund invests substantially all of its assets in Whitebox Credit Partner, L.P. (the Credit Master Fund). The Credit Master Fund’s investment objective is to provide superior short-term, risk-adjusted returns through an arbitrage trading strategy using convertible debt, equity, and other securities. In addition to its investment in the Credit Master Fund, the Credit Fund holds an investment in an affiliated limited liability company and a derivative contract. The fair value of the fund has been estimated using the net asset value per share of the investments.

NOTE 5 PROPERTY AND EQUIPMENT

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

	2020	2019	Estimated Useful Lives
Land	\$ 205,000	\$ 205,000	-
Building	1,194,275	1,194,275	20 Years
Building Improvements	1,569,423	1,622,270	10 to 20 Years
Leasehold Improvements	-	19,325	5 Years
Computers	809,983	720,242	3 to 7 Years
Office Equipment	451,711	441,587	3 to 15 Years
Total	<u>4,230,392</u>	<u>4,202,699</u>	
Less: Accumulated Depreciation	<u>(3,167,046)</u>	<u>(3,166,765)</u>	
Net Property and Equipment	<u>\$ 1,063,346</u>	<u>\$ 1,035,934</u>	

NOTE 6 NOTE PAYABLE

The note payable consists of a mortgage payable to Bremer Bank in the original amount of \$518,245 with interest at 5.84%. The mortgage was refinanced on January 20, 2017 in the amount of \$382,115 with an interest rate of 4.43%. The mortgage is payable in monthly principal and interest installments of \$2,409 through December 29, 2021, at which time all outstanding principal and interest will be due. The note is secured by the land and the building. The outstanding balance on the mortgage payable was \$163,605 and \$184,632 at June 30, 2020 and 2019, respectively.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 NOTES PAYABLE (CONTINUED)

On December 1, 2015, Think Small entered into a promissory note of \$12,945 with 0% interest to finance exterior lighting. The note is payable in monthly installments of \$215.76 starting January 1, 2016 and continuing through December 1, 2020. The outstanding balance on this note was \$-0- and \$3,883 at June 30, 2020 and 2019, respectively.

Think Small received a loan in the amount of \$449,400 to fund payroll, rent and utilities through the federal Paycheck Protection Program. The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Foundation fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Foundation will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal interest payments will be required through the maturity date in April 2022.

Maturities of the note payables are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 219,658
2022	393,347
Total	<u>\$ 613,005</u>

NOTE 7 LINE OF CREDIT

Think Small has a \$1,000,000 revolving line of credit with Bremer Bank with an interest rate of 4.75% and maturity date of November 30, 2020. The line of credit is secured by all inventory, chattel paper, accounts receivable, equipment, and general intangibles. The outstanding balance was \$262,488 and \$-0- at June 30, 2020 and 2019, respectively.

In April 2014, Think Small established a portfolio loan with Morgan Stanley. As of June 30, 2020, available funds total \$683,955 with interest rate of 4.18%. The portfolio loan is secured by the holdings at Morgan Stanley. At June 30, 2020 and 2019, there were no outstanding advances on the portfolio loan.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 8 LEASES

Rental commitments under noncancelable leases for office space and equipment in effect at June 30, 2020 totaled \$269,796. Expenses under leases for the years ended June 30, 2020 and 2019 totaled \$116,135 and \$120,415, respectively. The cash payments for future rental commitments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 66,825
2022	55,078
2023	52,288
2024	53,065
2025	42,540
Total	<u>\$ 269,796</u>

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2020</u>	<u>2019</u>
General Operations - Time Restricted	\$ 50,075	\$ 50,175
Professional Development, Consultation, and Coaching	408,841	185,500
Policy, Advocacy and Initiatives	26,613	25,906
Library	15,937	14,812
Total	<u>\$ 501,466</u>	<u>\$ 276,393</u>

Releases from net assets with donor restrictions consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
General Operations - Time Restricted	\$ 4,725	\$ 150,925
Professional Development, Consultation, and Coaching	377,509	1,000,281
Policy, Advocacy, and Initiatives	14,293	16,590
Scholarships	-	8,000
Total	<u>\$ 396,527</u>	<u>\$ 1,175,796</u>

NOTE 10 PENSION PLAN

Think Small has a 401(k) plan for eligible employees. Eligibility for this plan requires one month of employment and attainment of age 18. During the years ended June 30, 2020 and 2019, Think Small contributed \$152,449 and \$170,797, respectively, to the plan on behalf of its employees.

THINK SMALL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 11 COMMITMENTS AND CONTINGENCIES

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies principally the federal government passed through the state of Minnesota and Ramsey County. Such audits could result in claims against Think Small for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 12 SOLAR CAPITAL LEASE AGREEMENT

In February 2017, Think Small entered into Solar Array Capital Lease Agreements. The terms of the agreement stipulate that Think Small is the fee title owner of a Rooftop Ballasted Solar Array installed in June 2017. In exchange, Think Small has assigned its tax and energy rebates to the lessee and agrees to purchase power produced by the solar panels at a pre-negotiated rate. The duration of the contract is 20 years, with the last payment due in the year 2037, with an available early termination clause. In a related agreement, Think Small has agreed to lease the solar array and the premises occupied by the panels to the lessee for a term equal to the Power Purchase agreement for a combined total of \$50 per year.

NOTE 13 LIQUIDITY AND AVAILABILITY

Think Small routinely monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. In the event of an unanticipated liquidity need, management could access the Line of Credit (see Note 7).

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, consist of the following:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 351,158	\$ 990,744
Accounts Receivable - Trade, Net	621,667	641,969
Program Receivables - Net	2,966,239	3,637,403
Pledges Receivable	227,700	191,025
Less: Donor Restricted Net Assets	<u>(501,466)</u>	<u>(276,393)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 3,665,298</u>	<u>\$ 5,184,748</u>

Per its operating reserve, Think Small strives to have \$1.2 million as an operating reserve to provide short-term financial stability during an unexpected financial challenge.

THINK SMALL
STATEMENT OF CHANGES IN NET ASSETS BY PROGRAM – UNAUDITED
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Program			Total Program
	Prepare Providers	Strengthen Families	Catalyze Change	
REVENUES AND SUPPORT				
Contributions	\$ 3,625	\$ -	\$ -	\$ 3,625
Government Contracts	4,541,869	20,560,670	-	25,102,539
Other Contracts	-	755,041	2,559	757,600
In-Kind Contributions	-	-	-	-
Program Service Fees	266,867	-	-	266,867
Publication Sales	2,866,899	-	-	2,866,899
Interest and Dividends	-	9,665	-	9,665
Unrealized Gains (Losses) from Investments	-	-	-	-
Other Revenue	68,987	1,252	-	70,239
Total Revenues and Support	<u>7,748,247</u>	<u>21,326,628</u>	<u>2,559</u>	<u>29,077,434</u>
EXPENSES				
Salaries and Benefits	2,926,987	1,917,508	190,049	5,034,544
Contract Services	260,780	32,132	7,740	300,652
Travel, Meals, and Entertainment	44,902	2,455	5,479	52,836
Conferences, Meetings, and Training	44,542	1,490	1,595	47,627
Supplies	6,745	3,572	162	10,479
Postage and Shipping	256,805	15,943	35	272,783
Printing and Copying	161,548	29,050	464	191,062
Sales and Marketing	343,953	1,085	-	345,038
Occupancy	120,219	29,164	3,983	153,366
Building Maintenance	62,557	32,444	1,940	96,941
Telecommunications	45,615	23,725	1,399	70,739
Computer Expense	57,783	3,565	1,213	62,561
Furniture and Fixtures; Equipment and Repairs	8,942	-	-	8,942
Depreciation and Amortization	356,807	52,902	2,992	412,701
Insurance	14,250	7,787	518	22,555
Professional Fees	7,085	-	-	7,085
Grants	1,983,894	-	-	1,983,894
Scholarships	10,706	19,265,441	-	19,276,147
Bad Debts	(2)	-	-	(2)
Credit Card and Bank Fees	32,574	-	-	32,574
Interest	3,066	1,698	102	4,866
In-Kind Supplies	-	-	-	-
Subscriptions and Dues	4,814	141	50	5,005
Miscellaneous	6,586	52	-	6,638
Cost of Sales	882,218	-	-	882,218
Total Expenses	<u>7,643,376</u>	<u>21,420,154</u>	<u>217,721</u>	<u>29,281,251</u>
Change in Net Assets	<u>\$ 104,871</u>	<u>\$ (93,526)</u>	<u>\$ (215,162)</u>	<u>\$ (203,817)</u>

THINK SMALL
STATEMENT OF CHANGES IN NET ASSETS BY PROGRAM – UNAUDITED (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Management and General	Fundraising	2020 Total	2019 Total
REVENUES AND SUPPORT				
Contributions	\$ -	\$ 1,148,996	\$ 1,152,621	\$ 462,867
Government Contracts	-	-	25,102,539	28,517,473
Other Contracts	-	-	757,600	1,220,652
In-Kind Contributions	-	1,729	1,729	1,120
Program Service Fees	-	-	266,867	364,311
Publication Sales	-	-	2,866,899	3,297,797
Interest and Dividends	7	-	9,672	242
Unrealized Gains (Losses) from Investments	(75,836)	-	(75,836)	107,077
Other Revenue	35,551	-	105,790	70,311
Total Revenues and Support	<u>(40,278)</u>	<u>1,150,725</u>	<u>30,187,881</u>	<u>34,041,850</u>
EXPENSES				
Salaries and Benefits	650,357	243,366	5,928,267	6,225,716
Contract Services	339,175	5,006	644,833	802,756
Travel, Meals, and Entertainment	5,014	5,737	63,587	100,512
Conferences, Meetings, and Training	638	348	48,613	61,164
Supplies	3,485	863	14,827	16,738
Postage and Shipping	3,365	3,516	279,664	323,027
Printing and Copying	9,673	7,548	208,283	250,166
Sales and Marketing	9,969	278	355,285	492,020
Occupancy	1,741	2,992	158,099	178,166
Building Maintenance	59,292	5,077	161,310	129,951
Telecommunications	25,590	1,953	98,282	78,316
Computer Expense	68,295	5,319	136,175	92,346
Furniture and Fixtures; Equipment and Repairs	11,850	-	20,792	24,588
Depreciation and Amortization	69,250	6,902	488,853	484,618
Insurance	46,361	972	69,888	61,510
Professional Fees	35,280	-	42,365	48,563
Grants	17	-	1,983,911	1,647,924
Scholarships	(2,085)	-	19,274,062	23,285,130
Bad Debts	15,180	18,753	33,931	(1,515)
Credit Card and Bank Fees	10,154	2,936	45,664	36,711
Interest	8,014	273	13,153	8,776
In-Kind Supplies	-	1,729	1,729	1,120
Subscriptions and Dues	2,565	878	8,448	9,152
Miscellaneous	1,064	45	7,747	802
Cost of Sales	(10,319)	-	871,899	1,088,376
Total Expenses	<u>1,363,925</u>	<u>314,491</u>	<u>30,959,667</u>	<u>35,446,633</u>
Change in Net Assets	<u>\$ (1,404,203)</u>	<u>\$ 836,234</u>	<u>\$ (771,786)</u>	<u>\$ (1,404,783)</u>