FINANCIAL STATEMENTS

THINK SMALL
ST. PAUL, MINNESOTA

FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

think small
LEADERS IN EARLY LEARNING

Think Small

Table of Contents

For the Years Ended June 30, 2024 and 2023

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Think Small
St. Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Think Small (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Think Small as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Think Small and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Think Small's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Think Small's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was 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*, is presented for purposes of additional analysis and is 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 audit 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 March 19, 2025, on our consideration of Think Small's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Think Small's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Think Small's internal control over financial reporting and compliance.

Abdo

Abdo
Minneapolis, Minnesota
March 19, 2025

FINANCIAL STATEMENTS

Think Small
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 497,549	$ 6,834
Accounts receivable - trade, net	512,903	824,671
Grants receivable	2,898,538	2,633,911
Pledges receivable, current	173,668	2,203,422
Prepaid expenses	174,083	222,110
Inventory, net	369,870	413,651
Total Current Assets	4,626,611	6,304,599
Property and Equipment		
Land	205,000	205,000
Buildings	1,194,275	1,194,275
Building improvements	1,634,117	1,556,627
Furniture and fixtures	360,496	360,496
Computers	1,119,552	860,014
Office equipment	86,424	328,311
Total Property and Equipment	4,599,864	4,504,723
Less: Accumulated Depreciation	(4,023,979)	(3,802,541)
Total Property and Equipment, Net	575,885	702,182
Other Assets		
Investments	4,466,779	1,891,000
Pledges receivable, noncurrent	-	158,927
Capitalized development costs, net	849,869	806,017
Security deposits	6,119	6,119
Operating right-of-use asset	66,912	88,842
Total Other Assets	5,389,679	2,950,905
Total Assets	$ 10,592,175	$ 9,957,686

See Independent Auditor's Report and Notes to the Financial Statements.

Think Small
Statements of Financial Position (Continued)
June 30, 2024 and 2023

	2024	2023
Liabilities		
Current Liabilities		
Accounts payable	$ 2,238,130	$ 3,094,036
Accrued salary and related taxes	568,421	564,136
Other accrued expenses	8,408	18,444
Contract advances	388,965	529,278
Deferred revenue	23,688	189,090
Line of credit	-	720,912
Operating lease liability - current	42,085	48,020
Total Current Liabilities	3,269,697	5,163,916
Noncurrent Liabilities		
Operating lease liability - noncurrent	-	42,085
Total Liabilities	3,269,697	5,206,001
Net Assets		
Without donor restrictions	7,027,260	4,306,868
With donor restrictions	295,218	444,817
Total Net Assets	7,322,478	4,751,685
Total Liabilities and Net Assets	$ 10,592,175	$ 9,957,686

See Independent Auditor's Report and Notes to the Financial Statements.

Think Small
Statements of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Contributions	$ 4,039,165	$ 130,905	$ 4,170,070
Government grants	32,656,969	-	32,656,969
Other contracts	3,092,955	-	3,092,955
Total Support	39,789,089	130,905	39,919,994
Revenue			
Publication sales, net of cost of goods sold of $835,235	1,618,431	-	1,618,431
Program service fees	244,899	-	244,899
Interest and dividends	135,733	-	135,733
Realized and unrealized gains on investments	135,561	-	135,561
Other revenue	32,256	-	32,256
Total Revenue	2,166,880	-	2,166,880
Net Assets Released From Restrictions			
Satisfaction of program or time restrictions	280,504	(280,504)	-
Total Revenue and Support	42,236,473	(149,599)	42,086,874
Expenses			
Program services	37,839,284	-	37,839,284
Supporting services			
Management and general	1,389,844	-	1,389,844
Fundraising	286,953	-	286,953
Total Supporting Services	1,676,797	-	1,676,797
Total Expenses	39,516,081	-	39,516,081
Change in Net Assets	2,720,392	(149,599)	2,570,793
Beginning Net Assets	4,306,868	444,817	4,751,685
Ending Net Assets	$ 7,027,260	$ 295,218	$ 7,322,478

See Independent Auditor's Report and Notes to the Financial Statements.

Think Small

Statements of Activities (Continued)

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Contributions	2,636,704	$ 827,677	$ 3,464,381
Government grants	30,652,977	-	30,652,977
Other contracts	1,360,036	-	1,360,036
Total Support	34,649,717	827,677	35,477,394
Revenue			
Publication sales, net of cost of goods sold of $1,054,785	1,711,262	-	1,711,262
Program service fees	224,451	-	224,451
Interest and dividends	54,019	-	54,019
Realized and unrealized gains on investments	91,641	-	91,641
Impairment loss	(174,019)	-	(174,019)
Other revenue	54,542	-	54,542
Total Revenue	1,961,896	-	1,961,896
Net Assets Released From Restrictions			
Satisfaction of program or time restrictions	497,860	(497,860)	-
Total Revenue and Support	37,109,473	329,817	37,439,290
Expenses			
Program services	34,473,984	-	34,473,984
Support services			
Management and general	1,382,635	-	1,382,635
Fundraising	265,570	-	265,570
Total Supporting Services	1,648,205	-	1,648,205
Total Expenses	36,122,189	-	36,122,189
Change in Net Assets	987,284	329,817	1,317,101
Beginning Net Assets	3,319,584	115,000	3,434,584
Ending Net Assets	$ 4,306,868	$ 444,817	$ 4,751,685

See Independent Auditor's Report and Notes to the Financial Statements.

Think Small

Statements of Functional Expenses

For the Year Ended June 30, 2024

	Program Services						
	Prepare Providers	Strengthen Families	Catalyze Change	Total Program	Management and General	Fundraising	Total
Salaries and Benefits							
Salaries	$ 3,623,952	$ 1,967,080	$ 151,281	$ 5,742,313	$ 493,999	$ 194,105	$ 6,430,417
Employee benefits	372,041	192,445	13,782	578,268	70,974	11,368	660,610
Payroll taxes	263,768	141,936	10,189	415,893	34,504	13,295	463,692
Total Salaries and Benefits	4,259,761	2,301,461	175,252	6,736,474	599,477	218,768	7,554,719
Expenses							
Scholarships	-	25,747,760	-	25,747,760	-	-	25,747,760
Grants	2,474,021	-	-	2,474,021	-	-	2,474,021
Contract services	270,035	153,752	450,960	874,747	501,485	42,344	1,418,576
Information technology	283,948	206,210	4,270	494,428	13,494	2,280	510,202
Advertising and promotion	413,822	-	-	413,822	6,594	-	420,416
Depreciation and amortization	294,887	67,681	-	362,568	14,601	-	377,169
Occupancy	111,759	117,520	20	229,299	803	2,200	232,302
Professional fees	30,933	15,604	-	46,537	140,701	-	187,238
Postage and shipping	140,338	24,312	15	164,665	17,412	243	182,320
Conferences, meetings and training	66,708	851	633	68,192	25,628	4,135	97,955
Insurance	31,653	24,509	-	56,162	41,171	-	97,333
Printing and copying	65,179	13,115	35	78,329	5,221	-	83,550
Credit card and bank fees	36,212	-	-	36,212	8,814	2,708	47,734
Travel	23,038	460	213	23,711	9	7,664	31,384
Subscriptions and dues	8,691	5,507	3,854	18,052	5,082	-	23,134
Supplies	2,661	1,162	42	3,865	3,983	6,611	14,459
Equipment	10,440	-	-	10,440	3,474	-	13,914
Interest and penalties	-	-	-	-	1,895	-	1,895
Total Expenses	$ 8,524,086	$ 28,679,904	$ 635,294	$ 37,839,284	$ 1,389,844	$ 286,953	$ 39,516,081

See Independent Auditor's Report and Notes to the Financial Statements.

Think Small

Statements of Functional Expenses (Continued)
For the Year Ended June 30, 2023

	Program Services						
	Prepare Providers	Strengthen Families	Catalyze Change	Total Program	Management and General	Fundraising	Total
Salaries and Benefits							
Salaries	$ 3,733,742	$ 1,747,290	$ 134,085	$ 5,615,117	$ 534,793	$ 206,635	$ 6,356,545
Employee benefits	445,984	215,404	12,315	673,703	98,562	12,034	784,299
Payroll taxes	270,916	125,404	9,116	405,436	36,524	14,447	456,407
Total Salaries and Benefits	4,450,642	2,088,098	155,516	6,694,256	669,879	233,116	7,597,251
Expenses							
Scholarships	-	23,410,020	-	23,410,020	-	-	23,410,020
Grants	1,894,627	-	50,000	1,944,627	299	-	1,944,926
Contract services	244,725	5,095	51,350	301,170	399,247	24,026	724,443
Depreciation and amortization	401,497	83,160	-	484,657	24,794	-	509,451
Advertising and promotion	375,466	-	-	375,466	16,720	-	392,186
Equipment and repairs	204,774	106,977	17,717	329,468	-	-	329,468
Professional fees	85,414	11,484	48,799	145,697	108,575	-	254,272
Occupancy	110,538	100,888	-	211,426	22,027	-	233,453
Postage and shipping	186,867	12,029	-	198,896	1,575	302	200,773
Printing and copying	111,472	12,135	-	123,607	3,788	-	127,395
Telephone	61,085	31,730	582	93,397	17,137	689	111,223
Insurance	33,692	18,176	-	51,868	38,616	-	90,484
Credit card and bank fees	39,884	-	-	39,884	13,765	2,925	56,574
Conferences, meetings and training	34,322	109	412	34,843	19,509	214	54,566
Interest	185	-	-	185	34,534	-	34,719
Travel	17,271	-	-	17,271	-	3,038	20,309
Subscriptions and dues	5,740	3,046	659	9,445	5,217	785	15,447
Supplies	5,150	2,651	-	7,801	2,659	475	10,935
Miscellaneous	-	-	-	-	2,978	-	2,978
Bad debts	-	-	-	-	1,316	-	1,316
Total Expenses	$ 8,263,351	$ 25,885,598	$ 325,035	$ 34,473,984	$ 1,382,635	$ 265,570	$ 36,122,189

See Independent Auditor's Report and Notes to the Financial Statements.

Think Small

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$ 2,570,793	$ 1,317,101
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation and amortization	377,169	509,451
Amortization of right-of-use asset	21,930	-
Impairment loss	-	174,019
Realized and unrealized gains on investments	(135,561)	(112,095)
Reclassification of fixed asset to construction in process	-	41,306
Loss on disposal of fixed assets	-	2,975
Reinvested investment income	(86,061)	(13,010)
(Increase) Decrease in Assets:		
Accounts receivable - trade	311,768	(222,739)
Grants receivable	(264,627)	(355,694)
Pledges receivable	2,188,681	(2,352,349)
Prepaid expenses	48,027	(32,221)
Inventory	43,781	78,287
Increase (Decrease) in Liabilities		
Accounts payable	(855,906)	(494,389)
Accrued salary and related taxes	4,285	11,999
Other accrued expenses	(10,036)	5,752
Contract advances	(140,313)	110,964
Deferred revenue	(165,402)	170,652
Operating lease liability	(48,020)	1,263
Net Cash Provided (Used) by Operating Activities	3,860,508	(1,158,728)
Cash Flows From Investing Activities		
Purchase of property and equipment	(95,142)	(157,594)
Capitalized development costs	(199,582)	(302,618)
Purchase of investments	(2,473,147)	-
Sales of investments	118,990	-
Net Cash Used by Investing Activities	(2,648,881)	(460,212)
Cash Flows From Financing Activities		
Payments on line of credit	(720,912)	-
Advances on line of credit	-	720,912
Net Cash Provided (Used) by Financing Activities	(720,912)	720,912
Net Increase (Decrease) in Cash and Cash Equivalents	490,715	(898,028)
Cash and Cash Equivalents - Beginning of Year	6,834	904,862
Cash and Cash Equivalents - End of Year	$ 497,549	6,834
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 1,895	$ 26,393
Disposal of fully depreciated property and equipment	$ -	$ 59,254
Right-of-use assets obtained in exchange for new operating lease liabilities	$ -	$ 131,663

See Independent Auditor's Report and Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Nature of Organization

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

Prepare Providers

Professional Development, Technical Assistance, and Coaching – Think Small provides professional development opportunities focused on the essential elements of providing high-quality care. Opportunities include classes and workshops in English, Spanish, Hmong, Somali, Oromo, Amharic, and Karen; individual and site-based technical assistance and coaching support; supports to help maintain a successful child care 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 staff connects with historically underserved communities so they can fully engage in Minnesota's early childhood care and education system. We focus on supporting those in low-income neighborhoods, English Language Learners, communities of color, immigrant and refugee families. Staff assist more than 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 also 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 300 titles in print. Redleaf Press has 43 books translated into 15 different languages. Over 120,000 products are distributed each year to customers in the U.S. and abroad.

Library – Think Small operates a unique early childhood-focused 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 are delivered to public libraries across the state.

Strengthen Families

Family Engagement – Think Small's Parent Powered text message program delivers evidence-based text messages to caregivers of children birth to five years old. These short text messages encourage parents to do fun and engaging activities with their children to support development and kindergarten readiness. Nearly 6,000 families are currently enrolled.

Scholarships and Other Financial Supports – Think Small recognizes that supporting parents is critical to supporting their children's early learning and education. Last year, we awarded more than $20 million of financial assistance to 5,427 children so that they could attend quality child care.

Catalyze Change

Think Small worked to improve access to child care in Minnesota. We led collaborative advocacy efforts in support of legislation in Minnesota, which would ensure that no family pays more than 7% of their income on child care. Similarly, we worked to extend previously passed legislation that mandated evidence-based literacy in public schools, to early childhood programs.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Note 1: Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets without Donor Restriction (Unrestricted)

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Society. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets with Donor Restriction (Restricted)

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization has donor restricted net assets of $295,218 and $444,817 for the years ended June 30, 2024 and 2023, respectively.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in its financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term, highly liquid investments and investments purchased with a maturity of three months or less to be considered cash or cash equivalents. The Organization’s cash balances held in bank depositories may exceed federally insurance limits at times.

Accounts Receivable and Allowance for Credit Losses

The Organization's accounts receivable are due in less than one year and are recorded at the amount management expects to collect. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts receivable on a quarterly basis. Uncollectible amounts are charged against the allowance for credit loss accounts. The receivables are current and are due in one year or less.

The allowance for credit losses is established through a provision charged to expense. Accounts receivable are charged against the allowance 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 credit losses was $1,915 for the years ended June 30, 2024 and 2023.

Note 1: Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Pledges receivable are stated at the amount management expects to collect. Management review receivable balances annually and establishes an allowance based on expected collections. The allowance for pledges receivable was $0 for the years ended June 30, 2024 and 2023.

Property and Equipment

The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of $5,000 with a future benefit of greater than one year. Depreciation and amortization is charged to activities using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Asset	Estimated Useful Lives
Land	-
Building	20 years
Building Improvements	10 to 20 years
Furniture and Fixtures	5 years
Computers	3 to 7 years
Office Equipment	3 to 15 years

Depreciation expense for the years ended June 30, 2024 and 2023 was $377,169 and $509,451, respectively.

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. Amortization expense for the years ended June 30, 2024 and 2023 was $155,730 and $261,792 respectively. Impairment loss for the years ended June 30, 2024 and 2023 was $0 and $174,019 respectively.

Inventory

Inventory consists of Early Childhood Education books and publications held for resale by the Organization. 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 was $238,498 and $226,389 for the years ended June 30, 2024 and 2023, respectively.

Investments and Investment Income

Think Small reports its investments in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures.* ASC Topic 820 provides guidance for accounting for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities. Donated investments are recorded at fair value on the date of donation and sold upon receipt. See Note 3, Fair Value Investments, for amounts recorded in 2024 and 2023.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Think Small follows the provisions of Accounting Standards Codification 606, *Contracts with Customers* on revenues derived from its publication sales and professional development fees. In the case of publication sales, revenue is recognized when the product is shipped out, which is at a point in time. In a case of professional development fees, revenue is recognized once a customer has attended the class, which is at a point in time.

- **Performance Obligations**

  The performance obligation related to publication sales is satisfied when the product is shipped out; therefore Think Small recognizes revenue at a point in time. The performance obligation related to professional development fees is satisfied when a customer has attended the class, therefore Think Small recognizes revenue at a point in time.

- **Contract balances**

  The timing of revenue recognition, billings, and cash collection results in billed receivables (contract assets) and deferred revenue (contract liabilities) which are recorded on the statement of financial position. All contract assets and liabilities are classified as current and will be recognized over the next year.

The beginning and ending contract balances were as follows:

	June 30, 2024	June 30, 2023	July 01, 2022
Contract Assets			
Publishing	$ 514,782	$ 825,730	$ 602,507
Contract liabilities			
Publishing	$ 23,688	$ 189,090	$ 18,438

Think Small's other revenues are explicitly excluded from the scope of ASC Topic 606 and are not recorded in accordance with that standard.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

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, 2024 and 2023, approximately 90% and 87% of government contract revenue was from the state of Minnesota respectively. The Organization received government grants of $66,354700 and $11,246,972 that have not been recognized as of June 30, 2024 and 2023, respectively.

Income Taxes

Think Small is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code.

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expense presents the natural classification detail of expenses by function. 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 $51,581 and $52,508 for the year ended June 30, 2024 and 2023, respectively.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was $90,395 and $107,737 for the years ended June 30, 2024 and2023, respectively.

Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Operating ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities.

The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.

- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.

- The Organization I has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This ASU amends the guidance on the impairment of financial instruments and adds an impairment model, known as the current expected credit losses model, that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes, as an allowance, its estimate of expected credit losses over the contractual life of a financial asset. In November 2019, the FASB issued ASU 2019-10, Financial Instruments – Credit Losses (Topic 326), which defers the effective date to annual reporting periods beginning after December 15, 2022. The new guidance is effective for the Organization for the year ended June 30, 2024. The Organization has adopted the standard effective July 1, 2023. The adoption was not considered material to the financial statements and primarily effected disclosures.

Subsequent Events

Subsequent events were evaluated through March 19, 2025, which is the date the financial statements were available to be issued.

Note 2: Fair Value Measurements

The Organization has adopted ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC Topic 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. It emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that the market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value, as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that included quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the assets or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls into is based on the lowest level input that is significant to the fair value measurement in its entity.

The Organization also has adopted ASC Topic 825, Financial Instruments. ASC Topic 825 allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities that are not otherwise required to be stated at fair value, on a contract-by-contract basis. The Organization has not elected to change the measurement of any existing financial instruments at fair value. However, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

Note 2: Fair Value Measurements (Continued)

The following is a description of the valuation methodology used for assets measured at fair value.

Money Market Funds - Valued at $1 per share.

Mutual funds, Stocks & Corporate Fixed Income: - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Government securities and municipal bonds: Valued at the daily closing price of similar securities.

Exchange Traded Funds, Closed End Funds – Investments in mutual funds and stocks, valued at market value.

Net Unsettled Purchases and Sales – Uncompleted purchases and sales valued at expected execution price.

Financial assets recorded in the statement of financial position are categorized based on the inputs to the valuation technique as follows:

	2024	2023
	Level 1	Level 1
Money market funds	$ 99,124	$ 43,889
Stocks	948,091	-
Municipal bonds	215,202	-
Corporate fixed income	508,595	-
Government securities	1,495,457	-
Mutual funds	1,074,489	1,020,080
Exchange traded funds, closed end funds	126,010	716,690
Net unsettled purchases and sales	(189)	4,009
Total	4,466,779	1,784,668
Investments Accounted for at Net Asset Value	-	106,332
Total Assets at Fair Value	$ 4,466,779	$ 1,891,000

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.

Think Small elected to redeem its investment holdings in March 2024. Thus, the fair value as of June 30, 2024 is $0.

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2023 are as follows:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Whitebox Credit Fund, Ltd.	$ 106,332	-	Quarterly	60 Days

Note 2: 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 the 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.

Investment income for the years ended June 30, 2024 and 2023 is made up of the following:

	2024	2023
Dividends and interest	$ 135,733	$ 54,019
Realized and unrealized gains/(losses)	165,448	110,067
Investment expenses	(29,887)	(18,426)
Total Investment Income	$ 271,294	$ 145,660

Note 3: Concentration of Credit Risk

From time to time, Think Small's cash balances at financial institutions may exceed the Federal Deposit Insurance Corporation (FDIC) limits of $250,000. Management does not believe this presents a significant risk to the Organization. The unsecured cash balance for Think Small was $247,548 and $0 and for the years ended June 30, 2024 and 2023.

Note 4: Line of Credit

Think Small has a $1,000,000 revolving line of credit with Bremer Bank with an interest rate of 8.5% and a maturity date of March 25, 2026. The line of credit is secured by all inventory, chattel paper, accounts receivable, equipment and general intangibles. The outstanding balance as of June 30, 2024 and 2023 was $0 and $720,912, respectively.

Note 5: Net Assets with Donor Restrictions

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

	2024	2023
Time restricted	$ 173,668	$ 419,817
Program innovations	120,000	-
Library	1,550	-
Policy, advocacy and initiatives	-	25,000
Total	$ 295,218	$ 444,817

Note 6: Leases

Effective July 1, 2022, the Organization entered into an operating leases for an office building. Monthly payments range from $4,018 to $4,254. The lease has an end date of April 30, 2025. The lease asset and liability were calculated using the weighted-average risk-free discount rate of 2.88 percent. During November 2024, the Organization signed an extension on their office space lease. The lease extends the term to April 30, 2026 and calls for monthly base payments of $4,372.

Additional information about the Organization's lease for the year ended June 30 is as follows:

	2024	2023
Lease expense		
Operating lease expense	$ 36,746	$ 49,715
Short-term lease expense	16,541	16,573
Total	$ 53,287	$ 66,288
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 49,868	$ 1,260
ROU assets obtained in exchange for new operating lease liabilities	-	131,663
Weighted-average remaining lease term in years for operating leases	1.83	2
Weighted-average discount rate for operating leases	2.88%	2.88%

Maturities of lease liabilities are as follows:

Year Ended June 30,	Operating
2025	$ 42,540
Less: present value discount	(455)
Total Lease Liabilities	$ 42,085

Note 7: 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 year ended June 30, 2024 and 2023, Think Small contributed $253,234 and $246,577 on behalf of its employees.

Note 8: 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 March 19, 2025.

Note 9: Solar Capital Lease Agreement

In February 2017, Think Small entered into Solar Array Capital Lease Agreement. 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. 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 described above for a combined total of $50 per year.

Note 10: Liquidity and Availability of Resources

The Organization has the following assets available to meet financial needs for one year:

	2024	2023
Financial Assets		
Cash and cash equivalents	$ 497,549	$ 6,834
Accounts receivable - trade, net	512,903	824,671
Grants receivable	2,898,538	2,633,911
Pledges receivable	173,668	2,203,422
Total Financial Assets	4,082,658	5,668,838
Less: Net Assets with Donor Restrictions	(295,218)	(839,634)
Plus Time-Restricted Net Assets Available Within One Year	173,668	419,817
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 3,961,108	$ 5,249,021

As part of our liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. Per its operating reserve, the Organization strives to have $1.2 million as an operating reserve to provide short-term financial stability during an unexpected financial challenge.

OTHER REPORTS

INDEPENDENT AUDITOR'S 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
Think Small
Minneapolis, Minnesota

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 Think Small (the Organization) which comprise the statement of financial position as of June 30, 2024 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 March 19, 2025.

Reporting on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abdo

Abdo
Minneapolis, Minnesota
March 19, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Think Small
Minneapolis, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Think Small's (the Organization), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Abdo

Abdo
Minneapolis, Minnesota
March 19, 2025

Think Small
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Program Title Pass-Through Grantor/Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Pass-Through Identification Number	Pass-Through Federal Expenditures	Federal Expenditures
U.S. Department of Health and Human Services:				
Child Care and Development Fund Cluster:				
Minnesota Department of Human Services:				
Child Care Development Block Grant	93.575	2101MNCCDF, 2101MNCSC6, 2101MNCDC6; 2301MNCCDD	$ 7,014,383	$ 7,014,383
Total Child Care and Development Fund Cluster			7,014,383	7,014,383
SRI International:				
Every Student Succeeds Act/Preschool Development Grants	93.434	PO88682	470,141	470,141
Total US Dept of Health and Human Services:			7,484,524	7,484,524
U.S. Department of the Treasury:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				
Ramsey County:				
Child Care Assistance Program	21.027	2401MNCCDF	116,298	116,298
Total U.S. Department of Education:			116,298	116,298
Total Federal Expenditures			$ 7,600,822	$ 7,600,822

See Notes to the Schedule of Expenditures of Federal Awards.

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirement of the Uniform Guidance, and *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this 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.

Note 3: Pass-Through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended June 30, 2024, the Organization did not elect to use the 10% de minimis indirect cost rate.

Think Small
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements:		
Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weaknesses identified?		No
Significant deficiencies identified not considered to be material weaknesses?		None Reported
Noncompliance material to financial statements noted?		No
Federal Awards:		
Internal control over major programs:		
Material weaknesses identified?		No
Significant deficiencies identified not considered to be material weaknesses		No
Type of auditor's report issued on compliance for major federal programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?		No

Identification of Major Federal Programs:		Assistance Listing Number
Child Care and Development Fund Cluster:		
Child Care and Development Block Grant		93.575
Dollar threshold used to distinguish between Type A and Type B Programs:	$	750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance		Yes

Section II - Findings - Financial Statement Audit

There are no significant deficiencies, material weaknesses, or instances of material noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit

There are no significant deficiencies, material weaknesses, or instances of material noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

Other Issues

The Summary Schedule of Prior Audit Findings is not required because there were no prior year audit findings required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.

A Corrective Action Plan is not required because there were no current year findings required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.