

## FINANCIAL STATEMENTS

THINK SMALL  
ST. PAUL, MINNESOTA

FOR THE YEARS ENDED  
JUNE 30, 2025 AND 2024



Think Small  
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For the Years Ended June 30, 2025 and 2024

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## 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, 2025 and 2024, 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 present fairly, in all material respects, the financial position of Think Small as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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.

### **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 schedule of expenditures of federal awards 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 February 2, 2026, 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**  
Minneapolis, Minnesota  
February 2, 2026



FINANCIAL STATEMENTS

**Think Small**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 748,918	\$ 497,549
Accounts receivable, net	468,074	512,903
Government grants receivable	1,398,133	2,898,538
Pledges receivable	21,715	173,668
Prepaid expenses	174,665	174,083
Inventory, net	379,787	369,870
<b>Total Current Assets</b>	<b>3,191,292</b>	<b>4,626,611</b>
<b>Other Assets</b>		
Investments	4,354,694	4,466,779
Capitalized development costs, net	584,604	849,869
Property and equipment, net	553,864	575,885
Security deposits	6,119	6,119
Operating right-of-use asset	59,091	66,912
<b>Total Other Assets</b>	<b>5,558,372</b>	<b>5,965,564</b>
<b>Total Assets</b>	<b>\$ 8,749,664</b>	<b>\$ 10,592,175</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,075,982	\$ 2,238,130
Accrued salaries and related taxes	633,117	568,421
Other accrued expenses	10,460	8,408
Contract advances	389,322	388,965
State funds payable	612,000	-
Deferred revenue	5,655	23,688
Operating lease liability	43,043	42,085
<b>Total Liabilities</b>	<b>2,769,579</b>	<b>3,269,697</b>
<b>Net Assets</b>		
Without donor restrictions	5,980,085	7,027,260
With donor restrictions	-	295,218
<b>Total Net Assets</b>	<b>5,980,085</b>	<b>7,322,478</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,749,664</b>	<b>\$ 10,592,175</b>

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

**Think Small**  
**Statements of Activities**  
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support</b>			
Contributions	\$ 389,769	\$ 181,000	\$ 570,769
Government grants	15,486,624	-	15,486,624
Other contracts	2,813,627	-	2,813,627
<b>Total Support</b>	<b>18,690,020</b>	<b>181,000</b>	<b>18,871,020</b>
<b>Revenue</b>			
Publication sales, net of cost of goods sold of \$518,920	1,359,529	-	1,359,529
Professional development fees	235,751	-	235,751
Investment income	287,947	-	287,947
Other revenue	96,742	-	96,742
<b>Total Revenue</b>	<b>1,979,969</b>	<b>-</b>	<b>1,979,969</b>
<b>Net Assets Released From Restrictions</b>			
Satisfaction of program or time restrictions	476,218	(476,218)	-
	<b>21,146,207</b>	<b>(295,218)</b>	<b>20,850,989</b>
<b>Expenses</b>			
Program services	20,343,556	-	20,343,556
Supporting services			
Management and general	1,441,610	-	1,441,610
Fundraising	408,216	-	408,216
<b>Total Supporting Services</b>	<b>1,849,826</b>	<b>-</b>	<b>1,849,826</b>
<b>Total Expenses</b>	<b>22,193,382</b>	<b>-</b>	<b>22,193,382</b>
<b>Change in Net Assets</b>	(1,047,175)	(295,218)	(1,342,393)
<b>Beginning Net Assets</b>	<b>7,027,260</b>	<b>295,218</b>	<b>7,322,478</b>
<b>Ending Net Assets</b>	<b>\$ 5,980,085</b>	<b>\$ -</b>	<b>\$ 5,980,085</b>

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

**Think Small**  
**Statements of Activities (Continued)**  
**For the Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support</b>			
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
<b>Total Support</b>	<b>39,789,089</b>	<b>130,905</b>	<b>39,919,994</b>
<b>Revenue</b>			
Publication sales, net of cost of goods sold of \$835,235	1,618,431	-	1,618,431
Professional development fees	244,899	-	244,899
Investment income	241,375	-	241,375
Other revenue	32,256	-	32,256
<b>Total Revenue</b>	<b>2,136,961</b>	<b>-</b>	<b>2,136,961</b>
<b>Net Assets Released From Restrictions</b>			
Satisfaction of program or time restrictions	280,504	(280,504)	-
	<b>42,206,554</b>	<b>(149,599)</b>	<b>42,056,955</b>
<b>Expenses</b>			
Program services	37,839,284	-	37,839,284
Supporting services			
Management and general	1,359,925	-	1,359,925
Fundraising	286,953	-	286,953
<b>Total Supporting Services</b>	<b>1,646,878</b>	<b>-</b>	<b>1,646,878</b>
<b>Total Expenses</b>	<b>39,486,162</b>	<b>-</b>	<b>39,486,162</b>
<b>Change in Net Assets</b>	2,720,392	(149,599)	2,570,793
<b>Beginning Net Assets</b>	<b>4,306,868</b>	<b>444,817</b>	<b>4,751,685</b>
<b>Ending Net Assets</b>	<b>\$ 7,027,260</b>	<b>\$ 295,218</b>	<b>\$ 7,322,478</b>

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

**Think Small**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2025**

	Program Services				Management and General	Fundraising	Total
	Prepare Providers	Strengthen Families	Catalyze Change	Total Program			
Salaries and Benefits							
Salaries	\$ 3,800,488	\$ 1,648,306	\$ 178,557	\$ 5,627,351	\$ 715,832	\$ 278,748	\$ 6,621,931
Employee benefits	377,662	152,723	15,818	546,203	170,746	20,666	737,615
Payroll taxes	279,151	121,246	12,698	413,095	51,699	19,524	484,318
Total Salaries and Benefits	<u>4,457,301</u>	<u>1,922,275</u>	<u>207,073</u>	<u>6,586,649</u>	<u>938,277</u>	<u>318,938</u>	<u>7,843,864</u>
Expenses							
Scholarships	-	7,948,869	-	7,948,869	-	-	7,948,869
Contract services	924,600	61,881	378,679	1,365,160	293,585	43,071	1,701,816
Provider resources	1,472,449	-	-	1,472,449	17	-	1,472,466
Information technology	331,326	215,344	2,572	549,242	71,725	19,214	640,181
Grants	493,413	-	-	493,413	-	-	493,413
Training and events	368,670	82,283	900	451,853	11,172	-	463,025
Advertising and promotion	300,009	57	16,800	316,866	2,175	5,080	324,121
Impairment loss	264,736	-	-	264,736	-	-	264,736
Depreciation and amortization	220,140	27,201	-	247,341	14,843	-	262,184
Postage and shipping	203,090	18,243	1,045	222,378	19,073	4,636	246,087
Travel and conferences	113,847	1,909	1,465	117,221	14,767	13,483	145,471
Occupancy	69,840	42,158	-	111,998	27,599	-	139,597
Telecommunications	58,044	26,041	374	84,459	11,342	229	96,030
Insurance	40,451	19,545	-	59,996	13,722	-	73,718
Credit card and bank fees	50,926	-	-	50,926	11,807	3,565	66,298
Miscellaneous	-	-	-	-	11,506	-	11,506
Total Expenses	<u>\$ 9,368,842</u>	<u>\$ 10,365,806</u>	<u>\$ 608,908</u>	<u>\$ 20,343,556</u>	<u>\$ 1,441,610</u>	<u>\$ 408,216</u>	<u>\$ 22,193,382</u>

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

**Think Small**  
**Statements of Functional Expenses (Continued)**  
**For the Year Ended June 30, 2024**

	Program Services				Management and General	Fundraising	Total
	Prepare Providers	Strengthen Families	Catalyze Change	Total Program			
<b>Salaries and Benefits</b>							
Salaries	\$ 3,623,952	\$ 1,967,080	\$ 151,281	\$ 5,742,313	\$ 493,999	\$ 194,105	\$ 6,430,417
Employee benefits	377,986	196,921	13,782	588,689	85,776	11,368	685,833
Payroll taxes	263,768	141,936	10,189	415,893	34,504	13,295	463,692
<b>Total Salaries and Benefits</b>	<b>4,265,706</b>	<b>2,305,937</b>	<b>175,252</b>	<b>6,746,895</b>	<b>614,279</b>	<b>218,768</b>	<b>7,579,942</b>
<b>Expenses</b>							
Scholarships	-	25,747,760	-	25,747,760	-	-	25,747,760
Provider resources	1,438,529	-	-	1,438,529	-	-	1,438,529
Contract services	199,588	50,503	450,960	701,051	312,173	42,344	1,055,568
Information technology	288,968	289,095	3,743	581,806	273,355	1,651	856,812
Training and events	674,596	70,144	-	744,740	-	2,200	746,940
Grants	452,386	-	-	452,386	-	-	452,386
Advertising and promotion	413,822	-	-	413,822	6,594	-	420,416
Depreciation and amortization	294,887	67,681	-	362,568	14,601	-	377,169
Postage and shipping	227,309	44,095	3,947	275,351	35,172	6,855	317,378
Occupancy	59,689	47,376	20	107,085	25,962	-	133,047
Travel and conferences	89,746	1,311	845	91,902	25,638	11,799	129,339
Telecommunications	56,940	35,970	527	93,437	16,968	628	111,033
Insurance	25,708	20,032	-	45,740	26,369	-	72,109
Credit card and bank fees	36,212	-	-	36,212	8,814	2,708	47,734
<b>Total Expenses</b>	<b>\$ 8,524,086</b>	<b>\$ 28,679,904</b>	<b>\$ 635,294</b>	<b>\$ 37,839,284</b>	<b>\$ 1,359,925</b>	<b>\$ 286,953</b>	<b>\$ 39,486,162</b>

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

**Think Small**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ (1,342,393)	\$ 2,570,793
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities		
Depreciation and amortization	262,184	377,169
Amortization of right-of-use asset	7,821	21,930
Loss on disposal of fixed assets	7,999	-
Intangible impairments	264,088	-
Realized and unrealized gains on investments, net	(150,075)	(135,561)
(Increase) Decrease in Assets:		
Accounts receivable	44,829	311,768
Government grants receivable	1,500,405	(264,627)
Pledges receivable	151,953	2,188,681
Prepaid expenses	(582)	48,027
Inventory	(9,917)	43,781
Increase (Decrease) in Liabilities		
Accounts payable	(1,162,148)	(855,906)
Accrued salaries and related taxes	64,696	4,285
Other accrued expenses	2,052	(10,036)
Contract advances	357	(140,313)
State funds payable	612,000	-
Deferred revenue	(18,033)	(165,402)
Operating lease liability	958	(48,020)
Net Cash Provided by Operating Activities	236,194	3,946,569
Cash Flows From Investing Activities		
Purchase of property and equipment	(78,456)	(95,142)
Capitalized development costs	(168,529)	(199,582)
Purchase of investments	(137,872)	(2,559,208)
Sales of investments	400,032	118,990
Net Cash Provided (Used) by Investing Activities	15,175	(2,734,942)
Cash Flows From Financing Activities		
Payments on line of credit	-	(720,912)
Net Change in Cash and Cash Equivalents	251,369	490,715
Cash and Cash Equivalents - Beginning of Year	497,549	6,834
Cash and Cash Equivalents - End of Year	\$ 748,918	\$ 497,549
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 7,354	\$ 1,895
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 50,340	\$ -

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

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

## 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, and Somali; 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.

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 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. Multi-language 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. The library’s collection is a part of Minnesota’s public interlibrary loan system and materials are delivered to public libraries across the state. Due to fiscal concerns, Think Small closed the library in December 2025.

#### *Strengthening 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. Due to fiscal concerns, Think Small ended this program in January 2026.

Scholarships and Other Financial Supports – Think Small recognizes that supporting parents is critical to supporting their children’s early learning and education. To help families cover the cost of quality child care and early education for young children, Think Small provides family case management for Early Learning Scholarships in Hennepin and Ramsey Counties.

#### *Catalyzing 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.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**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 Organization. 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 Organization 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 \$0 and \$295,218 for the years ended June 30, 2025 and 2024, 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.

**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 \$1,881 and \$1,915 for the years ended June 30, 2025 and 2024, respectively.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Pledges Receivable**

Unconditional pledges receivable expected to be collected in excess of one year are recorded at net present value using a discount commensurate with the risk associated with the contribution receivable. Management performs periodic reviews of the pledges receivable for past due amounts, determines the collectability of these amounts, and establishes allowances accordingly. All amounts are expected to be collected within one year, therefore, no allowance for uncollectable receivables has been recorded.

**Government Grants Receivable**

Grant receivables are amounts due to the Organization from various government agencies. Receivables are periodically reviewed for collectability by management and an estimated allowance is recorded if necessary. All grants receivables are considered collectible by management based upon history and assessed risk of collection; therefore, no allowance for uncollectible accounts is presented.

**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
Building	20 years
Building improvements	10 to 20 years
Furniture and fixtures	5 years
Technology hardware and software	3 to 7 years
Office equipment	3 to 15 years

Depreciation expense for the years ended June 30, 2025 and 2024 was \$92,478 and, \$221,439 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, 2025 and 2024 was \$169,706 and \$155,730 respectively.

Management performs an assessment for impairment over publications annually, and more frequently if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The impairment assessment is based primarily on actual and projected sales activity related to the underlying publication. Impairment loss for the years ended June 30, 2025 and 2024 was \$264,088 and \$0, 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 allowance for obsolescence was \$242,051 and \$238,498 for the years ended June 30, 2025 and 2024, respectively.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Investments and Investment Income**

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment income and gains and losses, including realized and unrealized gains or losses, are reported in the accompanying statement of activities as increases or decreases in net assets without donor restrictions unless donor restrictions or law require otherwise.

**Revenue Recognition**

Think Small's revenues are derived from its publication sales and professional development fees.

- **Performance Obligations**

The performance obligation related to publication sales is satisfied when control of the product transfers to the customer which occurs upon shipment; 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 accounts 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:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>July 01, 2023</u>
Contract Assets			
Publishing sales	\$ 469,641	\$ 514,782	\$ 825,730
Contract liabilities			
Publishing sales	\$ 5,655	\$ 23,688	\$ 189,090

**Support**

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. The Organization received government grants of \$4,273,635 and \$66,354,700 that have not been recognized as of June 30, 2025 and 2024, respectively.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Income Taxes**

Think Small is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code. The Organization is not a private foundation and charitable contributions by donors are tax deductible.

**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 of expenses by function. In the absence of specific identification, expenses are allocated based on estimates of staff time and space usage, as determined by management.

**Shipping and Handling**

Think Small records shipping and handling costs to postage and shipping expense. Shipping and handling was \$45,453 and \$51,581 for the year ended June 30, 2025 and 2024, respectively.

**Advertising**

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$94,379 and \$90,395 for the years ended June 30, 2025 and 2024, 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 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.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

**State Funds Payable**

During the year ended June 30, 2025, the Organization was over paid for reimbursable expenses. As a result, the Organization is required to pay \$612,000 to the Minnesota Department of Children, Youth, and Families (formerly the Minnesota Department of Education). The repayment has been recorded as a liability on the statement of financial position for the year ended June 30, 2025.

**Reclassification**

Certain amounts in the prior year financial statements have been reclassified to be consistent with current year presentation. Net assets have not been affected by these reclassifications.

**Subsequent Events**

Subsequent events were evaluated through February 2, 2026, which is the date the financial statements were available to be issued.

**Note 2: Fair Value Measurements**

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs to the valuation methodologies used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques 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 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.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**Note 2: Fair Value Measurements (Continued)**

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

	2025			Total
	Level 1	Level 2	Level 3	
Money Market Funds	\$ 114,114	\$ -	\$ -	\$ 114,114
Stocks	1,007,664	-	-	1,007,664
Municipal Bonds	197,162	-	-	197,162
Corporate Fixed Income	608,094	-	-	608,094
Government Securities	1,685,317	-	-	1,685,317
Mutual Funds	742,343	-	-	742,343
<b>Total</b>	<b>\$ 4,354,694</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,354,694</b>

	2024			Total
	Level 1	Level 2	Level 3	
Money Market Funds	\$ 98,935	\$ -	\$ -	\$ 98,935
Stocks	948,091	-	-	948,091
Municipal Bonds	215,202	-	-	215,202
Corporate Fixed Income	508,595	-	-	508,595
Government Securities	1,495,457	-	-	1,495,457
Mutual Funds	1,074,489	-	-	1,074,489
Exchange Traded Funds, Closed End Funds	126,010	-	-	126,010
<b>Total</b>	<b>\$ 4,466,779</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,466,779</b>

Investment income is made up of the following for the years ended June 30:

	2025	2024
Dividends and interest	\$ 137,870	\$ 135,733
Realized and unrealized gains	203,675	135,561
Investment expenses	(53,598)	(29,919)
<b>Total Investment Income</b>	<b>\$ 287,947</b>	<b>\$ 241,375</b>

**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.

**Note 4: Line of Credit**

Think Small has a \$1,000,000 revolving line of credit with Old National Bank (formerly Bremer Bank) with a variable interest rate based on Wall Street Journal Prime Rate +0%. The line of credit has a maturity date of March 25, 2026. The line of credit is secured by all inventory, accounts receivable, equipment and general intangibles. The outstanding balance as of June 30, 2025 and 2024 was \$0 and \$0, respectively.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**Note 5: Property and Equipment**

Property and Equipment consist of the following for the year ended June 30:

	2025	2024
Property and Equipment		
Land	\$ 205,000	\$ 205,000
Buildings	1,194,275	1,194,275
Building improvements	1,616,022	1,634,117
Furniture and fixtures	360,496	360,496
Technology hardware and software	705,782	1,119,552
Office equipment	33,252	86,424
Total Property and Equipment	4,114,827	4,599,864
Less: Accumulated Depreciation	(3,560,963)	(4,023,979)
Total Property and Equipment, Net	\$ 553,864	\$ 575,885

**Note 6: Net Assets with Donor Restrictions**

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

	2025	2024
Time restricted	\$ -	\$ 173,668
Program innovations	-	120,000
Library	-	1,550
Total	\$ -	\$ 295,218

**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, 2025 and 2024, Think Small contributed \$251,855 and \$253,234 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 February 2, 2026.

**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.

Think Small  
Notes to the Financial Statements  
June 30, 2025 and 2024

**Note 10: 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:

	2025	2024
<b>Lease expense</b>		
Operating lease expense	\$ 60,064	\$ 36,746
Short-term lease expense	-	1,654
	<u>\$ 60,064</u>	<u>\$ 38,400</u>
<b>Other Information</b>		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 51,284	\$ 49,868
ROU assets obtained in exchange for new operating lease liabilities	50,340	-
Weighted-average remaining lease term in years for operating leases	0.83	1.83
Weighted-average discount rate for operating leases	4.19%	2.88%

Maturities of lease liabilities are as follows:

Year Ended June 30,	Operating
2026	\$ 43,722
Less: present value discount	(679)
Total Lease Liabilities	<u>\$ 43,043</u>

**Note 11: Liquidity and Availability of Financial Resources**

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

	2025	2024
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 748,918	\$ 497,549
Accounts receivable, net	468,074	512,903
Government grants receivable	1,398,133	2,898,538
Pledges receivable	21,715	173,668
Total Financial Assets	<u>2,636,840</u>	<u>4,082,658</u>
Less: Net Assets with Donor Restrictions	-	(295,218)
Plus Time-Restricted Net Assets Available Within One Year	<u>-</u>	<u>173,668</u>
Financial Assets Available to Meet Cash		
Needs for General Expenditures Within One Year	<u>\$ 2,636,840</u>	<u>\$ 3,961,108</u>

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.

## 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  
St. Paul, 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, 2025 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 February 2, 2026.

**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 Organization'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 or significant deficiencies may exist that were not 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**  
Minneapolis, Minnesota  
February 2, 2026



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

Board of Directors  
Think Small  
St. Paul, 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, 2025. 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, 2025.

#### ***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.

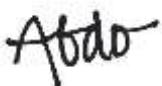
### **Report on Internal Control over Compliance**

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**  
Minneapolis, Minnesota  
February 2, 2026



**Think Small**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

Federal Grantor/Program Title Pass-Through Grantor/Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Pass-Through Identification Number	Federal Expenditures
<b>U.S. Department of Health and Human Services:</b>			
Child Care and Development Fund Cluster:			
Minnesota Department of Human Services:			
Child Care Development Block Grant	93.575	2101MNCCDF, 2101MNCSC6, 2101MNCDC6; 2301MNCCDD	\$ 6,553,780
Ramsey County			
Child Care Development Block Grant	93.575	None noted	143,245
Total Child Care and Development Fund Cluster			<u>6,697,025</u>
SRI International:			
Every Student Succeeds Act/Preschool Development Grants	93.434	P088682, P0115199	818,401
<i>Total US Dept of Health and Human Services:</i>			<u>7,515,426</u>
<b>U.S. Department of the Treasury:</b>			
Ramsey County:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2401MNCCDF	275,786
<i>Total U.S. Department of Treasury:</i>			<u>275,786</u>
Total Federal Expenditures			<u>\$ 7,791,212</u>

Think Small  
Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2025

**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, 2025. 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, 2025, 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, 2025

**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

**Assistance  
Listing  
Number**

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Identification of Major Federal Programs:

Child Care and Development Fund Cluster:	
Child Care and Development Block Grant	93.575
Every Student Succeeds Act/Preschool Development Grants	93.434
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	No

**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.