Think Together
Certified Public Accountants' Audited Financial Statements

Years Ended June 30, 2022 and 2021

Think Together

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Stephens, Reidinger & Beller LLP
Certified Public Accountants

1301 Dove St., Suite 890
Newport Beach, CA 92660
Telephone 949 752 7400
Facsimile 949 752 1883
www.srbcpa.com

Independent Auditors' Report on Financial Statements

To the Board of Directors
Think Together

Opinion

We have audited the accompanying financial statements of Think Together (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our 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 Together 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Think Together'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 the Think Together'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 the Think Together'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 November 29, 2022 on our consideration of Think Together'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 the Think Together's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Think Together's internal control over financial reporting and compliance.

Stephens, Reidinger + Beller LLP

Newport Beach, CA
November 29, 2022

Think Together

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS

	2022	2021
Current assets		
Cash and cash equivalents	$ 2,588,844	$ 2,087,080
Investments	1,150,305	1,213,486
School district contracts receivable, net of allowance for doubtful accounts	15,688,487	5,226,812
Grants, donations and other receivables	1,326,115	1,441,934
Prepaid expenses	917,688	443,899
Total current assets	21,671,439	10,413,211
Property and equipment - net of accumulated depreciation	8,464,920	8,869,027
Other assets	2,574,792	1,881,685
Total assets	$ 32,711,151	$ 21,163,923

LIABILITIES AND NET ASSETS

	2022	2021
Current liabilities		
Accounts payable and other accrued liabilities	$ 5,591,380	$ 4,538,847
Accrued payroll and related liabilities	5,622,088	5,398,995
Due to affiliate	-	249,000
Current maturities of long-term debt	153,593	149,863
Current portion of service obligation	-	566,092
Deferred revenue and rental obligations	6,070,836	1,490,487
Total current liabilities	17,437,897	12,393,284
Long-term debt - net of current maturities	2,256,484	2,410,075
Deferred revenue and rental obligations - long-term	349,867	387,727
Total liabilities	20,044,248	15,191,086
Net assets		
Net assets without donor restrictions	12,379,616	5,654,981
Net assets with donor restrictions	287,287	317,856
Total net assets	12,666,903	5,972,837
Total liabilities and net assets	$ 32,711,151	$ 21,163,923

The accompanying notes are an integral part of these financial statements.

Think Together

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

	2022		
Revenue	Without Donor Restrictions	With Donor Restrictions	Total
Public support			
Corporate donations	$ 415,994	$ -	$ 415,994
Individual donations	829,217	-	829,217
Foundations	2,109,726	-	2,109,726
School district contract services	92,514,561	-	92,514,561
Contributed assets and services	300,074	-	300,074
Net assets released from restrictions	20,000	(20,000)	-
Total public support	96,189,572	(20,000)	96,169,572
Interest, rental and other income (loss)	1,296,970	(10,569)	1,286,401
Total revenue and support	97,486,542	(30,569)	97,455,973
Expenses			
Program services	81,174,554	-	81,174,554
Management and general	8,251,662	-	8,251,662
Fundraising	1,335,691	-	1,335,691
Total expenses	90,761,907	-	90,761,907
Change in net assets	6,724,635	(30,569)	6,694,066
Beginning net assets	5,654,981	317,856	5,972,837
Ending net assets	$ 12,379,616	$ 287,287	$ 12,666,903

The accompanying notes are an integral part of these financial statements.

Think Together

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

	2021		
Revenue	Without Donor Restrictions	With Donor Restrictions	Total
Public support			
Corporate donations	$ 563,433	$ -	$ 563,433
Individual donations	872,398	-	872,398
Foundations	1,921,395	-	1,921,395
School district contract services	70,788,934	-	70,788,934
Contributed assets and services	563,371	-	563,371
Net assets released from restrictions	26,000	(26,000)	-
Total public support	74,735,531	(26,000)	74,709,531
Interest, rental and other income	1,265,503	71,285	1,336,788
Total revenue and support	76,001,034	45,285	76,046,319
Expenses			
Program services	66,751,009	-	66,751,009
Management and general	6,917,057	-	6,917,057
Fundraising	1,402,054	-	1,402,054
Total expenses	75,070,120	-	75,070,120
Change in net assets	930,914	45,285	976,199
Beginning net assets	4,724,067	272,571	4,996,638
Ending net assets	$ 5,654,981	$ 317,856	$ 5,972,837

The accompanying notes are an integral part of these financial statements.

Think Together

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Program Services	Supporting Services			
	Out of School Programs	Management and General	Fund Raising	Subtotal	Total
Advertising	$ 48,454	$ 47,744	$ 47,744	$ 95,488	$ 143,942
Bank charges	10,047	59,419	9	59,428	69,475
Computer and software expenses	522,787	448,345	8,972	457,317	980,104
Consulting	412,314	371,925	304,662	676,587	1,088,901
Copying and printing	358,426	16,990	55,781	72,771	431,197
Depreciation	106,610	478,295	-	478,295	584,905
Amortization	-	94,610	-	94,610	94,610
Insurance-general	-	689,498	-	689,498	689,498
Insurance-health	1,832,596	119,510	27,474	146,984	1,979,580
Insurance-workers comp.	802,823	30,368	5,022	35,390	838,213
Interest	53,229	351,547	-	351,547	404,776
Legal and accounting	349,856	220,245	-	220,245	570,101
Maintenance and repairs	226,532	278,152	-	278,152	504,684
Travel and mileage	528,526	37,784	1,121	38,905	567,431
Office expense	720,413	313,894	69,174	383,068	1,103,481
Outside/subcontracted services	3,378,751	192,205	-	192,205	3,570,956
Postage	245,507	17,989	2,413	20,402	265,909
Promotion	454,944	43,596	6,682	50,278	505,222
Rent	1,944,468	2,651	25	2,676	1,947,144
Salaries and wages	57,072,357	3,633,480	744,127	4,377,607	61,449,964
School supplies	5,996,419	512	165	677	5,997,096
Special events	604,459	4,190	3,540	7,730	612,189
Staff development	126,794	31,413	1,288	32,701	159,495
Taxes - payroll	4,851,413	230,109	55,994	286,103	5,137,516
Taxes - property, other	34,561	58,834	29	58,863	93,424
Telecommunications	365,082	304,557	1,469	306,026	671,108
Utilities	127,186	173,800	-	173,800	300,986
	$ 81,174,554	$ 8,251,662	$ 1,335,691	$ 9,587,353	$ 90,761,907

The accompanying notes are an integral part of these financial statements.

Think Together

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Services	Supporting Services			
	Out of School Programs	Management and General	Fund Raising	Subtotal	Total
Advertising	$ 49,650	$ 49,137	$ 49,131	$ 98,268	$ 147,918
Bank charges	3,298	42,835	-	42,835	46,133
Computer and software expenses	1,589,775	626,388	751	627,139	2,216,914
Consulting	378,111	291,244	139,847	431,091	809,202
Copying and printing	386,895	20,978	65,532	86,510	473,405
Depreciation	103,359	449,181	-	449,181	552,540
Insurance-general	-	571,351	-	571,351	571,351
Insurance-health	1,867,985	104,846	30,949	135,795	2,003,780
Insurance-workers comp.	624,622	25,351	6,106	31,457	656,079
Interest	53,482	174,627	-	174,627	228,109
Legal and accounting	353,698	123,332	-	123,332	477,030
Maintenance and repairs	158,536	239,867	2,300	242,167	400,703
Travel and mileage	217,149	14,509	1,707	16,216	233,365
Office expense	296,207	118,187	53,394	171,581	467,788
Outside/subcontracted services	2,550,010	180,172	-	180,172	2,730,182
Postage	209,420	7,553	1,850	9,403	218,823
Promotion	163,606	8,047	1,888	9,935	173,541
Provision for doubtful accounts	71,931	-	-	-	71,931
Rent	1,756,809	8,159	-	8,159	1,764,968
Salaries and wages	46,024,805	3,120,053	944,854	4,064,907	50,089,712
School supplies	5,136,376	6,551	32,288	38,839	5,175,215
Special events	63,981	19,907	932	20,839	84,820
Staff development	195,668	13,726	3,084	16,810	212,478
Taxes - payroll	3,955,931	188,128	65,861	253,989	4,209,920
Taxes - property, other	33,701	65,605	-	65,605	99,306
Telecommunications	403,844	286,703	1,580	288,283	692,127
Utilities	102,160	160,620	-	160,620	262,780
	$ 66,751,009	$ 6,917,057	$ 1,402,054	$ 8,319,111	$ 75,070,120

Think Together

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Increase in net assets	$ 6,694,066	$ 976,199
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	679,515	552,540
Equity interest income in benefit corporation	(699,684)	(490,024)
(Increase) decrease in assets		
Accounts receivables	(10,345,856)	(1,873,760)
Prepaid expenses	(473,789)	145,810
Due from affiliate	-	988,418
Deposits and other assets	(97,065)	(3,810)
Increase (decrease) in liabilities		
Accounts payable	1,052,533	1,440,007
Accrued payroll and related liabilities	223,093	2,707,483
Due to affiliate	(249,000)	249,000
Deferred revenue and rental obligations	4,542,489	(1,551,864)
Total adjustments	(5,367,764)	2,163,800
Net cash provided by operating activities	1,326,302	3,139,999
Cash flows from investing activities		
Acquisition of property and equipment	(171,766)	(306,137)
Investment in securities	63,181	(536,474)
Net cash (used) by investing activities	(108,585)	(842,611)
Cash flows from financing activities		
Satisfaction of service obligation	(566,092)	(549,973)
Payments on long-term debt	(149,861)	(127,306)
Net cash (used) by financing activities	(715,953)	(677,279)
Net increase in cash and cash equivalents	501,764	1,620,109
Cash and cash equivalents at beginning of year	2,087,080	466,971
Cash and cash equivalents at end of year	$ 2,588,844	$ 2,087,080
Supplemental disclosures:		
Cash paid during the year for interest	$ 377,899	$ 201,232

The accompanying notes are an integral part of these financial statements.

Organization and Nature of Services

Think Together is a non-profit, tax-exempt, California organization that partners with schools to change the odds for kids. Think Together offers direct service programs in the areas of early learning (children 0-5), afterschool (K-12) in under-resourced schools and communities. Think Together, through its affiliate Orenda Education, also provides professional development to school teachers and administrators around a specific data-driven, but people-centric, school improvement model that has produced transformational results. Think Together offers programs in over 450 sites across 47 public school districts and 26 charter management organizations across California. During the fiscal year ended June 30, 2022, Think Together served more than 200,000 students.

Think Together's services are provided under a variety of financial arrangements. The largest portion of these services is the daily comprehensive afterschool program provided to public school districts. Think Together serves as a sub-contractor to these districts where it delivers the program directly to students and provides the support necessary to deliver this program including staffing, human resources, volunteer recruitment, program design, coaching, program management, financial management and reporting, and program evaluation. Think Together also raises matching funds for these programs through philanthropy. In addition, Think Together serves as the fiscal agent and program provider for Expanded Learning Programs at approximately 50 charter schools mostly in the Los Angeles Metropolitan area. Think Together's early learning programs (including state preschool) are funded through state and county agency grants, also augmented through philanthropy.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Organization.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Management has evaluated subsequent events through November 29, 2022, the date which the financial statements were available for issue.

Recent Accounting Pronouncement

In September 2020, The FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* ASU 2020-07 increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure but does not change the recognition or measurement requirements for those assets. The ASU became effective for the fiscal periods beginning after June 15, 2021 and management has elected to adopt ASU 2020-07 as of and for the fiscal year ending June 30, 2022.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. The Organization will be required to adopt ASU 2016-02 effective for the fiscal year ending June 30, 2023. Early adoption is permitted. The Organization is currently evaluating the impact that ASU 2016-02 will have on the Organization's financial statements and related disclosures.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or nonexistence of restrictions on use that are placed by its donors. The two classes of net assets are as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are resources available to support the Organization's operations. The only limits on the use of these net assets, if any, are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Support that is restricted by a donor is reported as an increase in net assets without donor restrictions if the restriction expires in the period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a specified purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature and the Organization must continue to use these resources in accordance with donor's restrictions.

The Organization's unspent contributions are included in this class if the donor has limited their use. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Transactions

All revenues are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resource for a specified purpose or for a future period. All expenses are reported as decreases in net assets without donor restrictions.

Cash, Cash Equivalents and Concentration of Credit Risk

For purposes of the statement of cash flows, Think Together considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents. Think Together maintains its cash with commercial banks which at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Think Together believes these funds are all maintained in high quality financial institutions which limits its risk. Think Together has not incurred losses related to carrying cash balances in excess of the FDIC insurance limits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Goodwill and Intangible Assets

The Organization capitalizes the fair value of intangible assets acquired at the cost of acquisition. Intangible assets are evaluated to determine their useful life and are amortized over their useful life on a straight line basis. In addition, intangible assets are evaluated for impairment when a triggering event occurs or other events arise.

Beginning July 1, 2021, the Organization adopted the accounting alternative for the subsequent measurement of goodwill provided in FASB ASC 350-20, *Accounting for Goodwill*. Under this accounting alternative, the Organization began to amortize goodwill on a straight-line basis over a 10 year useful life and only evaluates goodwill for impairment at the entity level when a triggering event occurs. During the year ended June 30, 2022, no triggering events occurred requiring impairment testing and thus, no impairment loss was recorded. Prior to the adoption, goodwill was assessed for impairment to determine if a charge against goodwill was required. The assessment compared the fair value of the net assets acquired with the carrying value, including goodwill. A charge against goodwill would only occur when the fair value of the acquired net asset was below the carrying value. There was no impairment assessed for the year ending June 30, 2021.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition and Promises to Give

The primary source for Think Together's revenue is derived from service contracts with school districts. As required under ASC 606, *Revenue Recognition from Contracts with Customers*, income from these school district contracts is recognized ratably over the related contract term. In addition, the Organization receives public support in the form of contributions from individuals, corporations, foundations and government grants. In accordance with ASU 2018-08, *Not-for-Profit Entities – Revenue Recognition (Subtopic 958-605)*, Think Together is first required to determine whether a contribution is conditional or unconditional. An unconditional contribution is recognized immediately and classified as either net assets without donor restrictions or net assets with donor restrictions. Conditional promises to give are not recognized until all conditions are substantially met and all barriers to entitlement are overcome, at which point the contribution is recognized as unconditional.

Allowance for Doubtful Accounts

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. Think Together provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the collectability of the various accounts receivables. The provision for doubtful accounts for the years ended June 30, 2022 and 2021 was $100,000.

Property and Equipment

Think Together follows the practice of capitalizing all material expenditures for property and equipment, which are carried at cost. Donated property is capitalized at its estimated fair market value at the time of donation.

Depreciation is recorded on the straight-line basis over the estimated useful life as follows:

Building	30 years
Building and leasehold improvements	4 - 10 years
Office, furniture and equipment	3 - 7 years

Long-lived assets held and used by Think Together are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed. Management does not believe there to be an impairment of long-lived assets as of June 30, 2022 and 2021.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Think Together is exempt from federal income taxes under the 501(c)(3) provisions of the Internal Revenue Code and is exempt from the state franchise tax under Section 23701(d) of the California Revenue and Taxation code. No provision for income tax liability is therefore required.

Deferred Revenue and Rental Obligations

Funds received in advance of program services or activities to be performed or delivered in future periods are recorded as deferred revenue in the accompanying statement of financial position. Revenues relating to such advance payments are recognized as the required services or activities are performed and the related exchange transaction is completed.

The Organization enters into non-cancelable operating leases for office space. Rent expense for leases having rent holidays, landlord incentives or scheduled rent increases is recorded on a straight-line basis over the lease term, generally beginning with the lease commencement date. Differences between straight-line expense and actual rent payments are recorded in deferred rental obligations as an adjustment to rent expense over the lease term.

Deferred revenue and rental obligations consist of the following:

	2022		2021	
	Current Portion	Long Term Portion	Current Portion	Long Term Portion
Deferred revenue	$ 6,004,184	$ -	$ 1,433,417	$ -
Security deposits	-	19,657	-	18,111
Deferred rent	66,652	330,210	57,070	369,616
Total	$ 6,070,836	$ 349,867	$ 1,490,487	$ 387,727

Donated Materials, Facilities and Services

Donated materials have been included in the accompanying financial statements where estimates of market value were available to measure the value of such materials. There were $171,791 and $216,000 in donated materials during the years ended June 30, 2022 and 2021, respectively. Contributed facilities are reported as public support income and rental expense based on the estimated usage value of the premises. The organization recognized $50,283 in contributed facilities during the year ended June 30, 2022 and $61,371 during the year ended June 30, 2021.

Donated services are recognized when a nonfinancial asset is created or specialized skills are required and the organization would otherwise need to purchase the services. Donated services for the years ended June 30, 2022 and 2021 were $78,000 and $286,000, respectively. In addition, a substantial number of volunteers have donated 11,476 hours and 39,816 hours of their time to

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials, Facilities and Services *(continued)*

Think Together during the years ended June 30, 2022 and 2021, respectively. The value of this time and related expense has not been included in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing programs and services have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or service are charged directly to that program or service. Oversight costs common to multiple programs have been allocated among various programs benefited using a reasonable allocation method that is consistently applied based on a percentage of contract revenue method.

General and administrative expenses include costs that are not directly identifiable with or relate directly to the oversight of any specific program, but which provide for the overall support and direction of the Organization. Such costs include the finance and administrative functions and all liability insurance costs for the organization. Fundraising expenses are expensed as incurred and are charged to the respective fundraising cost center. When the Organization incurs shared costs that are both fundraising and general and administrative, the costs are allocated based on the methods described above.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense for the year ended June 30, 2022 and 2021 was $143,942 and $147,918, respectively.

NOTE 2: INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under Topic 820 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs that are unobservable inputs for the asset or liability.

NOTE 2: INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

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

Investments in marketable securities: Consist of mutual funds that are registered with the Securities Exchange Commission. Mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their net asset value (NAV) and to transact at that price. The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2022 and 2021 are as follows:

	Assets at Fair Value 2022			
	Level 1	Level 2	Level 3	Total
Investments in marketable securities	$1,150,305	$ -	$ -	$1,150,305
Total investments at fair value	$1,150,305	$ -	$ -	$1,150,305

	Assets at Fair Value 2021			
	Level 1	Level 2	Level 3	Total
Investments in marketable securities	$1,213,486	$ -	$ -	$1,213,486
Total investments at fair value	$1,213,486	$ -	$ -	$1,213,486

Realized and unrealized losses totaling $98,777 and realized and unrealized gains totaling $251,009 are included in other income (loss) in the accompanying statement of activities for the years ended June 30, 2022 and 2021, respectively.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021 consists of the following:

	2022	2021
Land	$ 5,603,245	$ 5,603,245
Building	1,534,589	1,534,589
Building improvements	2,863,692	2,863,692
Office, furniture and equipment	1,696,028	1,652,683
Leasehold and tenant improvements	433,332	493,566
	12,130,886	12,147,775
Less: accumulated depreciation	(3,665,966)	(3,278,748)
Total property and equipment	$ 8,464,920	$ 8,869,027

NOTE 4: OTHER ASSETS

Other assets consist of the following:

	2022	2021
Deposits	$ 254,763	$ 177,086
Deferred lease commissions	17,388	7,032
Intangible assets	2,302,641	750,000
Investment in benefit corporation	-	947,567
Total other assets	$ 2,574,792	$ 1,881,685

NOTE 5: GOODWILL AND INTANGIBLE ASSETS

Goodwill

In July 2013, Think Together acquired an asset of Bay Area After School All Stars, a San Jose based out of school provider, for a cost of $420,000 which exceeded the value of the net tangible asset received by $350,000 and recorded the excess as goodwill.

Effective October 25, 2019, in connection with the acquisition of certain assigned net assets and related business activity of an unrelated nonprofit organization, Think Together assumed 21st Century Community Learning Center (21st CCLC) grants from the California Department of Education (CDE) totaling approximately $9,500,000 annually. The costs and expenses in excess of the net assets acquired in the amount of $400,000 in connection with this acquisition were recorded as goodwill in the accompanying financial statements.

Intellectual Property

As described in Note 13, in exchange for the sale of its 41% interest in Orenda Education, Think Together recorded the acquisition of intellectual property for $1,647,251 on June 1, 2022. The valuation of the intangible asset was based on the value of the 41% interest in Orenda Education. The Organization has determined that the intellectual property has a finite life and will be amortized based on fair value and the useful life of these assets in accordance with FASB ASC 350, *Intangible – Goodwill and Other*. The intellectual property will be amortized over a 7 year period, which matches the life of the related services agreement with Orenda Education.

Intangible assets consists of the following at June 30, 2022 and 2021:

	2022	2021
Goodwill	$ 750,000	$ 750,000
Intellectual property	1,647,251	-
Less: accumulated amortization	(94,610)	-
Net intangible assets	$ 2,302,641	$ 750,000

NOTE 5: GOODWILL AND INTANGIBLE ASSETS (continued)

Amortization expense for the year ended June 30, 2022 was $94,610. Estimated amortization expense for each of the ensuing years through June 30, 2027 is $310,322 for each year.

NOTE 6: CONCENTRATION OF SCHOOL DISTRICT CONTRACT REVENUE AND RECEIVABLES

Think Together serves as a subcontractor to school districts where it provides a variety of program services. For the year ended June 30, 2022, school district contracts comprised 96% of Think Together's operating revenue. Under these subcontractor arrangements, school districts act as the Lead Education Agency (LEA), or fiscal agent, and have been awarded grant funding by either the California Department of Education (CDE) or the U.S. Department of Education to provide program services. Partnering school districts have in turn contracted Think Together to provide the comprehensive delivery and administrative oversight of the funded programs.

Contracted program services provided by Think Together have three primary sources of funding: 1) California Department of Education (CDE) grant funding for after school programming funded by Proposition 49, 2) Federal funding through the 21st Century Community Learning Centers program (administered by the CDE), and 3) Other Local School District Discretionary Funding Sources. For Think Together, 53% of its operating revenue (55% of total school district contract revenue) relates to CDE Proposition 49 grant funding; and 18% of its total operating revenue (19% of total school district contract revenue) relates to U.S. Department of Education 21st Century Community Centers funding.

For the fiscal years ending June 30, 2022 and 2021, school district contract revenue for Think Together was comprised of the following sources of State and Federal grant funding:

	2022	2021
California Department of Education (CDE) –Proposition 49 After School Education and Safety Act (ASES)	$ 51,677,855	$ 45,789,947
U.S. Department of Education - 21st Century Community Learning Centers (21st CCLC) (administered by the CDE)	17,661,645	17,397,471
Other Local School District Discretionary Funding Sources (LCFF)	23,175,061	7,601,516
Total	$ 92,514,561	$ 70,788,934

NOTE 7: LIQUIDITY AND AVAILABILITY

Financial assets without donor or other restrictions limiting their use within one year of June 30, 2022, which are available for general expenditures are as follows:

Financial assets:		
Cash and cash equivalents	$	2,588,844
Investments		1,150,305
Accounts receivable, net		17,014,602
Total financial assets		20,753,751
Less financial assets held to meet donor-imposed restrictions:		
Donor-restricted net assets		(287,287)
Amount available for general expenditures within one year	$	20,466,464

Based on the table above, the Organization has $20,466,464 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The account receivables are subject to implied time restrictions but are expected to be collected within one year. As disclosed in Note 8, the Organization has a line of credit available which it could draw upon in the event of an unanticipated liquidity need.

NOTE 8: LINE OF CREDIT

Think Together has a line of credit with Comerica Bank that provides for borrowings up to $25,000,000 to fund operations. Borrowings on this line of credit are permitted based on outstanding accounts receivable balances and are collateralized by a Deed of Trust that creates a lien on the security interest in the headquarters of Think Together located in Santa Ana, CA, receivables and other organization assets.

For the years ending June 30, 2022 and 2021, interest on this line of credit was payable at the bank's prime rate plus 0.75%. Under the renewed terms effective November 2021, interest will be based on the Bloomberg Short-Term Bank Yield rate (BSBY) plus 2.75%. The line of credit has no outstanding balance as of June 30, 2022 and 2021. Under the terms of the line of credit agreement, Think Together is required to meet and maintain certain financial covenants. As of the date of this report and for the fiscal years ended June 30, 2022 and 2021, Think Together was in compliance with these covenants or has obtained a waiver for non-compliance.

NOTE 9: LONG-TERM DEBT

In October 28, 2010, Think Together obtained a five year loan in the amount of $2,000,000 from St. Joseph Health System to provide working capital needs related to the Organization and to satisfy the requirements for the bank's line of credit as mentioned in Note 8. This loan is subordinate to Comerica Bank's line of credit.

Starting in December 2010, payments were due and payable in 60 consecutive monthly installments of principal and interest in the amount of $9,839 per month with an interest rate of 2.17% per annum. In November 2015, St. Joseph Health System agreed to extend the loan for an additional 60 months with a maturity date of November 30, 2020. On June 4, 2018, St. Joseph Health System assigned and transferred the loan and all of its rights to Providence St. Joseph Health Investment Trust. Then in November 2020, the loan was extended once again for an additional 60 months with a new maturity date of November 30, 2025. The interest rate was adjusted to 2% per annum with monthly installments of principal and interest of $10,000 with a final balloon payment due on the maturity date. The outstanding loan balance as of June 30, 2022 and 2021 was $1,103,676 and $1,200,549, respectively.

On January 31, 2008, Think Together financed the acquisition of a 4-unit apartment building under the terms of a $595,000 note and deed of trust payable, secured by the property. On February 22, 2018, the note was refinanced in the amount of $357,000. The new note is payable in monthly installments of $1,190 plus interest and will be due on March 1, 2028. Interest on this note is payable monthly at the elected LIBOR-based rate, which resulted in a weighted average rate of 3.06% at June 30, 2022. The outstanding balance of this note was $297,500 and $311,780 at June 30, 2022 and 2021, respectively.

The purchase of the second Shalimar building, also referred to in Note 3, was financed on May 7, 2019 under the terms of a $1,120,000 ten year note and deed of trust payable, secured by the property. The note is payable in monthly installments of principal and interest beginning June 1, 2019 with the final payment due on May 7, 2029. Monthly interest on the note is calculated using a monthly LIBOR-based rate which was 3.06% as of June 30, 2022. The outstanding balance as of June 30, 2022 and 2021 was $1,008,901 and $1,047,609, respectively.

Maturities of long-term debt are as follows:

Year ended June 30,	
2023	$ 153,593
2024	157,442
2025	161,418
2026	861,752
2027	62,711
Thereafter	1,013,161
Total	$ 2,410,077

NOTE 10: LONG-TERM SERVICE OBLIGATION

In August of 2012, Think Together acquired a 52,000 square foot office complex on 2.3 acres of land in Santa Ana, CA for use as its administrative offices with proceeds from a $5,000,000 advance for future services from Fast Five Orange County, formerly known as Children and Families Commission of Orange County. Under terms of an agreement with Fast Five Orange County, Think Together was obligated to provide Early Literacy and Math Program services in exchange for this advance for a 10 year period, starting on July 1, 2012.

This obligation, which was collateralized by a deed of trust on the property, was being amortized over the 10-year service period with an imputed interest rate of 2.89%. The service obligation expired on June 30, 2022, and the obligation was satisfied in full as of June 30, 2022. The unamortized balance of this obligation at June 30, 2021 was $566,092.

NOTE 11: OBLIGATIONS UNDER OPERATING LEASES

Think Together has various leases for its facilities. The lease agreements having an original term of more than one year expire on various dates through April 2030.

Minimum lease obligations for these facilities are as follows:

Year ended June 30,	Base Rent
2023	$ 1,630,674
2024	1,384,998
2025	1,068,719
2026	961,982
2027	889,038
Thereafter	1,319,653
Total	$ 7,255,064

Rent expense was $1,947,144 and $1,764,968 for the years ended June 30, 2022 and 2021, respectively.

NOTE 12: LITIGATION

The Organization is involved in litigation in the normal course of its operations which management believes are adequately covered by insurance or accruals.

NOTE 13: INVESTMENT IN BENEFIT CORPORATION

Think Together had a 41% interest in the outstanding voting stock of Orenda Education, a California benefit corporation. Think Together accounted for this investment under the equity method as provided under ASC 323, *Investments-Equity Method and Joint Ventures*. Effective June 1, 2022, Think Together agreed to sell back its 41% interest to Orenda Education in order to acquire certain intellectual property rights from Orenda Education as described in Note 5.

Under the equity method of accounting, Think Together recorded a gain of $699,684 as of May 31, 2022, the day before the sale back to Orenda Education, and a gain of $490,024 for the year ended June 30, 2021, from its proportionate share of Orenda Education's net income.

Think Together's investment in Orenda Education was included at cost, plus its share of income or loss under the equity method, in other assets in the accompanying statement of financial position. The investment value was $1,647,251 as of May 31, 2022, immediately prior to the sale back to Orenda Education, and $947,567 as of June 30, 2021. Costs incurred in connection with the sale of the investment in Orenda Education and the acquisition of intellectual property of $126,719 are included in costs and expenses in the accompanying statement of activities.

Summary results of operations and financial position of Orenda Education were as follows:

Condensed income statement information	(Unaudited) For the Eleven Months Ended May 31, 2022	For Year Ended June 30, 2021
Total revenues	$ 6,600,493	$ 5,432,143
Net comprehensive income/(loss)	1,706,546	1,195,181

Condensed balance sheet information at:	June 30, 2021
Current assets	$ 1,744,495
Property and equipment, net	34,867
Intangible assets	1,495,600
Total assets	$ 3,274,962
Current liabilities	$ 282,667
Deferred revenue	172,750
Pension benefit obligation	1,383,371
Equity	1,436,174
Total liabilities and equity	$ 3,274,962

NOTE 14: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2022 and 2021 consist of the following and were restricted for the following purposes:

	2022	2021
Think Together Scholarship Fund	$ 287,287	$ 317,856
	$ 287,287	$ 317,856

NOTE 15: RELATED PARTY TRANSACTIONS

During the years ended June 30, 2022 and 2021, Think Together provided administrative and executive administrative services to Orenda Education totaling $130,000 each year, which is included in other income in the accompanying statement of activities. Additionally, Think Together sub-leases a portion of an office to Orenda Education for a monthly rent of $3,500. Total rents received from Orenda Education for the sub-lease for the year ended June 30, 2022 and 2021 was $42,000. Think Together makes contribution agency transactions to Orenda Education and as of June 30, 2022 and 2021, Think Together made contributions totaling $249,000 and $250,000, respectively, to Orenda Education.

Beginning June 1, 2022, Think Together began to sell services provided by Orenda Education and in turn, Think Together contracts with Orenda Education to provide such services. As of June 30, 2022, Think Together owes Orenda Education $514,290 in related revenues. In addition, as of June 30, 2022, Orenda Education owes Think Together $1,238,599 relating to revenue earned by Think Together but invoiced by Orenda Education. The net owed to Think Together of $724,309 is included with other receivables in the accompanying consolidated balance sheet as of June 30, 2022.

During the year ended June 30, 2021, Think Together purchased its business insurance at market rates through an insurance agency that employed the sister-in-law of Think Together's CEO.

In other ongoing related party arrangements, during 2022 and 2021, the wife of the CEO is employed as its Senior Director Risk Management, the daughter of the CEO is employed as a Marketing Coordinator and a software company owned by one of Think Together’s board members has been contracted to provide on-line parent outreach services.

Management believes all transactions and contractual agreements referred to above were at competitive fair market value rates. The Board of Directors has approved each transaction in advance applying the tests of fairness and benefit to the Organization in accordance with regulatory requirements.

Think Together

Single Audit Report on Federal Awards

Year Ended June 30, 2022

Stephens, Reidinger & Beller LLP
Certified Public Accountants

1301 Dove St., Suite 890
Newport Beach, CA 92660
Telephone 949 752 7400
Facsimile 949 752 1883
www.srbcpa.com

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*

To the Board of Directors
Think Together

We have audited, 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, the financial statements of Think Together (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Think Together's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Think Together'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Think Together's financial statements are free of 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 determination of financial statement amounts. 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.

Stephens, Reidinger + Beller LLP

Newport Beach, California
November 29, 2022

Stephens, Reidinger & Beller LLP
Certified Public Accountants

1301 Dove St., Suite 890
Newport Beach, CA 92660
Telephone 949 752 7400
Facsimile 949 752 1883
www.srbcpa.com

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

To the Board of Directors
Think Together

Report on Compliance for Each Major Federal Program

We have audited Think Together's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Think Together's major federal programs for the years ended June 30, 2022 and 2021.Think Together's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of Think Together's major federal programs based on our audits of the types of compliance requirements referred to above. We conducted our audits 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). Those standards and the Uniform Guidance require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Think Together's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audits do not provide a legal determination of Think Together's compliance.

Opinion on Each Major Federal Program

In our opinion, Think Together 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 years ended June 30, 2022 and 2021.

Report on Internal Control Over Compliance

Management of Think Together is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audits of compliance, we considered Think Together's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Think Together's internal control over compliance.

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

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

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

Stephens, Reidinger + Beller LLP

Newport Beach, California
November 29, 2022

Think Together

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Fiscal Year Ended June 30, 2022

Name of Agency or Department	Name of Program	CFDA No.	Name of Pass-through Entity	Identifying Number	Awards Expended
U.S. Department of Education	21st Century Community Learning Centers Program	84.287	California Department of Education	21-15651-67819-0A	$ 344,692
				21-14349-64279-0A	200,141
				21-14349-64279-2A	409,816
				21-14535-64279-2A	483,550
				21-14535-64295-2A	229,050
				21-14535-73437-2A	967,100
				21-14765-64279-0A	23,750
				21-15651-67090-0A	524,042
				21-14349-64774-1A	1,568,122
				21-14349-21860-0A	43,509
				21-14349-65037-2A	142,535
				21-14349-64816-2A	463,440
				21-14535-67082-2A	475,000
				21-14603-67082-2A	23,750
				21-14535-67082-2A	407,200
				21-14603-67207-2A	20,000
				21-14349-67686-2A	710,224
				21-14535-67850-2A	241,775
				21-15651-Z4150-0Y	1,188,842
				21-14535-Z4150-1Y	1,536,434
				21-14535-Z4150-0Y	1,100,690
				21-14535-Z4150-2Y	1,284,608
				21-14349-Z4150-1Y	2,702,619
				21-14765-Z4150-1Y	99,605
				21-14349-Z4150-2Y	1,020,595
				21-14765-Z4150-2Y	31,253
				21-14603-Z4150-2Y	23,440
				21-14603-Z4150-1Y	50,390
				21-14603-Z4150-0Y	25,506
				21-14349-C0016-1Y	378,987
				21-14765-C0016-1Y	25,637
				21-14535-C0016-1Y	283,642
				21-14603-C0016-1Y	28,570
				21-14349-Z0280-2Y	575,192
				21-14765-Z0280-2Y	22,236
					17,655,942
	GEAR UP	84.334A	YPI Charter Schools	P334A140148-18	1,156,372
	Education Innovation and Research	84.411C	Think Together	S411C210113	112,073
Total U.S. Department of Education					18,924,387
				Total Expenditures of Federal Awards	$ 18,924,387

Think Together

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Think Together under programs of the federal government for the year ended June 30, 2022. For purposes of the schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by Think Together from non-federal organizations. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Think Together, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Think Together.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF FEDERAL AWARDS

Scope of Presentation

The accompanying schedule presents expenses incurred by Think Together that are reimbursable under federal programs of federal financial assistance.

Basis of Accounting

The expenses included in the accompanying schedule were reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited for reimbursement.

Subrecipient Expenses

There were no payments made to subrecipients for the year ended June 30, 2022.

Indirect Cost Rate

Think Together has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Think Together

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2022

PRIOR PERIOD AUDIT REPORT

There were no audit findings in the previous year.

Think Together

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2022

SUMMARY OF AUDITORS' RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Think Together were prepared in accordance with GAAP.
2. There were no material weaknesses in internal control nor were there any significant deficiencies based upon our audit of the financial statements of the auditee.
3. No instances of noncompliance material to the financial statements of Think Together, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. There were no material weaknesses nor were there any significant deficiencies in internal control over major programs of the auditee.
5. The auditor's report on compliance for the major federal award programs of Think Together expresses an unmodified opinion on the major federal program.
6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The program tested as a major program was the 21st Century Community Learning Centers Program, which is pass-through assistance from the U.S. Department of Education, CFDA # 84.287.
8. The threshold used for distinguishing between Type A and Type B programs was $750,000.
9. Think Together was determined to be a low risk auditee.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

There were no auditors' findings required to be reported in accordance with Generally Accepted Government Auditing Standards.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no auditors' findings or questioned costs to be reported in accordance with 2 CFR Section 200.516(a).