

Big Green

Financial Statements

For the Years Ended June 30, 2019 and 2018

Big Green

Financial Statements

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Independent Auditor's Report

To the Board of Directors
Big Green
Boulder, Colorado

We have audited the accompanying financial statements of Big Green (the "Organization"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Green as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

ACM LLP
Greeley, Colorado
November 26, 2019

Big Green

Statements of Financial Position

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|----------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 3,634,516 | \$ 3,971,300 |
| Accounts receivable | 718,926 | 839,358 |
| Pledges receivable | 150,000 | 200,000 |
| Prepaid expenses and other current assets | 235,671 | 194,503 |
| Inventory | <u>274,602</u> | <u>444,856</u> |
| Total current assets | 5,013,715 | 5,650,017 |
| Property and equipment, net | 96,173 | 137,799 |
| Pledges receivable, Long-term | 100,000 | 300,000 |
| Other assets | <u>28,343</u> | <u>27,625</u> |
| Total assets | <u><u>\$ 5,238,231</u></u> | <u><u>\$ 6,115,441</u></u> |
| Liabilities and Net Assets | | |
| Accounts payable | \$ 254,291 | \$ 348,859 |
| Accrued expenses | 268,506 | 142,419 |
| Deferred revenue | <u>322,500</u> | <u>1,477,025</u> |
| Total current liabilities | <u>845,297</u> | <u>1,968,303</u> |
| Net Assets | | |
| Without donor restrictions | 3,124,316 | 3,647,138 |
| With donor restrictions | <u>1,268,618</u> | <u>500,000</u> |
| Total net assets | <u>4,392,934</u> | <u>4,147,138</u> |
| Total liabilities and net assets | <u><u>\$ 5,238,231</u></u> | <u><u>\$ 6,115,441</u></u> |

See the independent auditor's report and accompanying notes to the financial statements.

Big Green
Statements of Activities

| | Year Ended | | | | | |
|---------------------------------------|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | June 30, 2019 | | | June 30, 2018 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenue | | | | | | |
| Project grants | \$ 125,911 | \$ 37,092 | \$ 163,003 | \$ 2,775,956 | \$ - | \$ 2,775,956 |
| Individual contributions | 167,270 | - | 167,270 | 902,397 | - | 902,397 |
| Corporate grants | 369,208 | 100,000 | 469,208 | 1,706,189 | - | 1,706,189 |
| Foundation Grants | 5,030,070 | 1,941,481 | 6,971,551 | 5,324,001 | - | 5,324,001 |
| Government grants | 378,622 | - | 378,622 | - | - | - |
| In-kind contributions | 278,276 | - | 278,276 | 80,849 | - | 80,849 |
| Special event revenue, gross | 1,224,839 | - | 1,224,839 | 780,216 | - | 780,216 |
| Other income | 31,683 | - | 31,683 | 3,264 | - | 3,264 |
| Net assets released from restrictions | 1,309,955 | (1,309,955) | - | 200,000 | (200,000) | - |
| Total revenue | 8,915,834 | 768,618 | 9,684,452 | 11,772,872 | (200,000) | 11,572,872 |
| Expense | | | | | | |
| Program expenses | 6,572,150 | - | 6,572,150 | 6,129,369 | - | 6,129,369 |
| Development | 1,954,315 | - | 1,954,315 | 1,901,385 | - | 1,901,385 |
| Cost of direct benefits to donors | 467,554 | - | 467,554 | 338,598 | - | 338,598 |
| Management and general | 444,637 | - | 444,637 | 437,046 | - | 437,046 |
| Total Expense | 9,438,656 | - | 9,438,656 | 8,806,398 | - | 8,806,398 |
| Change in net assets | (522,822) | 768,618 | 245,796 | 2,966,474 | (200,000) | 2,766,474 |
| Net assets - beginning of period | 3,647,138 | 500,000 | 4,147,138 | 680,664 | 700,000 | 1,380,664 |
| Net assets - end of period | \$ 3,124,316 | \$ 1,268,618 | \$ 4,392,934 | \$ 3,647,138 | \$ 500,000 | \$ 4,147,138 |

See the independent auditor's report and accompanying notes to the financial statements.

Big Green

Statements of Cash Flows

| | Year Ended | |
|--|---------------|---------------|
| | June 30, 2019 | June 30, 2018 |
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 245,796 | \$ 2,766,474 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 62,270 | 86,420 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | 120,432 | (768,862) |
| Pledges receivable | 250,000 | 200,000 |
| Prepaid expenses and other assets | (41,886) | (2,553) |
| Inventory | 170,254 | (297,218) |
| Accounts payable | (94,568) | 45,685 |
| Accrued expenses | 126,087 | (248,105) |
| Deferred revenue | (1,154,525) | (1,249,475) |
| Net cash flows from operating activities | (316,140) | 532,366 |
| Cash Flows From Investing Activities | | |
| Proceeds from sale of office equipment | - | 650 |
| Purchases of equipment | (20,644) | (83,224) |
| Net cash flows from investing activities | (20,644) | (82,574) |
| Change in cash and cash equivalents | (336,784) | 449,792 |
| Cash and cash equivalents - beginning of period | 3,971,300 | 3,521,508 |
| Cash and cash equivalents- end of period | \$ 3,634,516 | \$ 3,971,300 |

See the independent auditor's report and accompanying notes to the financial statements.

Big Green

Statements of Functional Expenses

| | Year Ended June 30, 2019 | | | | Year Ended June 30, 2018 | | | |
|---------------------------------------|--------------------------|--------------|------------|--------------|--------------------------|--------------|------------|--------------|
| | Program | | Management | | Program | | Management | |
| | Services | Development | & General | Total | Services | Development | & General | Total |
| Garden beds and materials | \$ 2,548,452 | \$ 435 | \$ - | \$ 2,548,887 | \$ 2,603,175 | \$ 1,582 | \$ - | \$ 2,604,757 |
| Salaries and contract labor | 2,661,225 | 1,149,233 | 215,501 | 4,025,959 | 2,191,743 | 961,334 | 172,830 | 3,325,907 |
| Payroll taxes and benefits | 405,195 | 175,023 | 39,976 | 620,194 | 423,975 | 154,567 | 35,176 | 613,718 |
| Garden programming and supplies | 351,607 | 416 | 622 | 352,645 | 242,408 | 1,024 | - | 243,432 |
| Marketing and promotion | 16,015 | 155,550 | 192 | 171,757 | 22,394 | 313,261 | 2,940 | 338,595 |
| Printing, postage and office supplies | 13,218 | 32,347 | 43,665 | 89,230 | 9,276 | 23,021 | 33,630 | 65,927 |
| Professional Services | 97,196 | 71,714 | 43,482 | 212,392 | 110,584 | 13,475 | 44,650 | 168,709 |
| Rent & Utilities | 263,157 | 102,121 | 45,240 | 410,518 | 268,028 | 75,308 | 69,907 | 413,243 |
| Travel and meetings | 117,266 | 201,114 | 25,545 | 343,925 | 152,016 | 265,703 | 31,374 | 449,093 |
| Insurance, bank fees & misc | 301 | 26,049 | 17,535 | 43,885 | 5,738 | 54,668 | 20,486 | 80,892 |
| Computer expenses | 52,559 | 26,854 | 10,027 | 89,440 | 37,626 | 19,854 | 19,627 | 77,107 |
| Depreciation | 45,959 | 13,459 | 2,852 | 62,270 | 62,406 | 17,588 | 6,426 | 86,420 |
| Total | 6,572,150 | 1,954,315 | 444,637 | 8,971,102 | 6,129,369 | 1,901,385 | 437,046 | 8,467,800 |
| Direct cost of benefits to donors | 467,554 | - | - | 467,554 | 338,598 | - | - | 338,598 |
| Total expenses | \$ 7,039,704 | \$ 1,954,315 | \$ 444,637 | \$ 9,438,656 | \$ 6,467,967 | \$ 1,901,385 | \$ 437,046 | \$ 8,806,398 |

See the independent auditor's report and accompanying notes to the financial statements.

Big Green

Notes to Financial Statements

1) Summary of Significant Accounting Policies

a. Organization

Big Green (the “Organization”), formerly The Kitchen Community, is a Colorado not-for-profit organization founded in 2011. The Organization’s articles of incorporation were amended to reflect the name change as of January, 2018. Big Green’s mission is to connect kids to real food.

Big Green is creating open-source designs for modular, experiential Learning Gardens for schools across the country. Learning Gardens are an extension of the classroom and an enhancement to the school playground and they are designed to be a place kids want to play in and teachers want to teach in, thereby creating a long-term, positive investment for the school and community.

Big Green is headquartered in Boulder, CO with offices in Chicago, IL, Denver, CO, Detroit, MI, Memphis, TN and Indianapolis, IN.

b. Basis of Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting using accounting principles generally accepted in the United States of America (“GAAP”). In accordance with GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions.
- *Net assets with donor restrictions* - Net assets subject to donor-imposed restrictions that may or will be met by the passage of time, by meeting the donor-imposed purpose or restriction, or to be held in perpetuity.

c. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

d. Financial Instruments and Credit Risk

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. Insurance coverage is up to \$250,000 per depositor at each financial institution. The Organization had approximately \$1,300,000 and \$2,900,000 of deposits in excess of federally insured limits at June 30, 2019 and 2018, respectively.

e. Accounts Receivable

Accounts receivable consist of amounts receivable from municipal contracts and other project agreements. An allowance for doubtful accounts is determined based upon the review and analysis of the collectability of each outstanding account. Management believes no allowance for doubtful accounts was necessary at June 30, 2019 and 2018.

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Notes to Financial Statements

f. *Pledges Receivable (promises to give)*

Pledges receivable are unconditional promises to give made by donors. Unconditional promises to give that are expected to be collected within one year are recorded at the amount pledged. Promises to give that are expected to be received after one year are recorded at present value. As of June 30, 2019 and 2018, the adjustment for the present value of expected future cash flows for multi-year pledges was not material to the financial statements; accordingly, no adjustments were made. Intentions to give are not recorded until payment has been received.

Allowances for uncollectible pledges receivable are established based on historical collection rates and specific identification of uncollectible accounts. Management believes no allowance was necessary at June 30, 2019 or 2018.

As of June 30, 2019 and 2018, there were certain pledges receivable which were deemed to be conditional and therefore did not meet the requirements for recognition, and are excluded from the financial statements until the conditions are met.

g. *Prepaid Expenses and Other Current Assets*

Prepaid expenses and other current assets consist primarily of advance payments for events and deposits for inventory. These amounts are charged to expense when the events occur, or the assets are used in operations.

h. *Inventory*

Inventory consists of learning garden materials and are stated at the lower of cost or net realizable value. Cost is determined on a standard cost basis that approximates the average cost method. Appropriate consideration is given to obsolescence, excessive levels, deterioration, and other factors in evaluating net realizable value. No reserve has been recorded as of June 30, 2019 and 2018, as management believes the amount is immaterial.

i. *Property and Equipment*

Property and equipment has been stated at cost, or in the case of donated property, at fair value on the date of the donation. Property and equipment with cost or fair value that exceeds \$500 and has a useful life greater than one year are capitalized and depreciated using the straight-line method over the estimated useful lives of the asset, or the shorter of the lease term or useful life for leasehold improvements (3 to 10 years).

j. *Deferred Revenue*

Deferred revenue is comprised of payments received from conditional contributions in advance for projects and programs where conditions have not been met. Once conditions have been met, funds are moved from deferred and recognized as revenue.

Big Green

Notes to Financial Statements

k. Revenue Recognition

Contributions received are recorded as “with donor restrictions” or “without donor restrictions”, depending on the existence and nature of the donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor or subject to legal restrictions. Net assets are reclassified to net assets without donor restrictions in the period in which donor restrictions expire. Restrictions expire when purpose restrictions are fulfilled and/or when time restrictions expire. Unconditional contributions are recorded when cash or unconditional promises-to-give have been received or ownership of donated assets are transferred. It is the Organization’s policy to record conditional donor restricted contributions received and expended in the same period as contributions without donor restrictions.

Other revenue is recorded when earned.

l. In-kind Contributions

In-kind contributions are reflected as contributions at their estimated fair value at date of donation and are reported as unrestricted support. These amounts have been reported as both in-kind contribution revenue and program expense and auction items were included in special event revenue on the statement of activities. The Organization recognizes the fair value of contributed services received if such services, a) create or enhance nonfinancial assets, or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. In kind contributions during the years ended June 30, 2019 and 2018 were as follows:

| <u>Years ended June 30</u> | <u>2019</u> | <u>2018</u> |
|----------------------------|-------------|-------------|
| Landscaping | \$47,298 | \$25,913 |
| Program supplies | 230,978 | 54,936 |
| Auction items | 161,892 | 222,484 |
| | <hr/> | <hr/> |
| | \$440,168 | \$303,333 |

Big Green

Notes to Financial Statements

m. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The financial statements report certain costs that are attributable to one or more program or supporting function. Accordingly, certain costs have been allocated between the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

| Expense | Method of Allocation |
|---------------------------------------|----------------------|
| Garden beds and materials | Actual |
| Salaries and contract labor | Time and effort |
| Payroll taxes and benefits | Time and effort |
| Garden programming and supplies | Actual |
| Marketing and promotion | Actual |
| Cost of direct benefits to donors | Actual |
| Printing, postage and office supplies | Square footage |
| Professional Services | Actual |
| Rent & Utilities | Square footage |
| Travel and meetings | Actual |
| Insurance, bank fees & misc | Actual |
| Computer expenses | Square footage |
| Depreciation | Square footage |

n. Federal Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1). However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business taxable income. The Organization had unrelated business taxable income during the year ended June 30, 2019 of \$5,144 and no unrelated business taxable income during the year ended June 30, 2018.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2017.

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Big Green

Notes to Financial Statements

p. New Accounting Pronouncements

In August of 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-14, Topic 958, Presentation of Financial Statements of Not-for-Profit Entities (“ASU 2016-14”). The ASU simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. ASU 2016-14 is effective for annual financial statements for fiscal years beginning after December 15, 2017 and for interim periods with fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization has adjusted the presentation of these statements accordingly. ASU 2016-14 has been applied retrospectively to all periods presented.

In May of 2014, the FASB issued ASU 2014-09, Topic 606, Revenue from Contracts with Customers. ASU 2014-09 for nonpublic entities should be applied for entities with an annual reporting period beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early adoption is permitted beginning after December 15, 2016. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In June of 2018, the FASB issued ASU 2018-08, Contributions Receivable and Made. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The new guidance aids in the classification of contributions and exchange transactions. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations, the new guidance is effective for fiscal years beginning after December 15, 2019 and interim periods with fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In February of 2016, the FASB issued ASU 2016-02, Topic 842, Leases. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations, the new guidance is effective for fiscal years beginning after December 15, 2019 and interim periods with fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of adoption of this standard on its financial statements.

q. Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

Big Green

Notes to Financial Statements

2) Liquidity and Availability of Resources

The following represents Big Green's financial assets at June 30, 2019 and 2018:

| Financial assets at year end: | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 3,634,516 | \$ 3,971,300 |
| Accounts receivable | 718,926 | 839,358 |
| Assets limited to use: | | |
| Pledges receivable | <u>250,000</u> | <u>500,000</u> |
| Total financial assets | 4,603,442 | 5,310,658 |
| Less amounts not available to be used within one year: | | |
| Donor-restricted with liquidity horizons greater than one year | (50,000) | - |
| Pledges receivable | <u>(200,000)</u> | <u>(300,000)</u> |
| Financial assets not available to be used within one year | (250,000) | (300,000) |
| Financial assets available to meet general expenditures within one year | <u>\$ 4,353,442</u> | <u>\$ 5,010,658</u> |

The Organization's goal is generally to maintain financial assets to meet six months of operating expenses (approximately \$4million). As part of its liquidity plan, excess cash is invested in short-term investments, including money markets and certificates of deposits.

3) Pledges Receivable

Pledges receivable for the years ended June 30, 2019 and 2018 totaled \$250,000 and \$500,000, respectively.

Pledges as of June 30, 2019 are due as follows:

| | <u>2019</u> |
|------------------|-------------------|
| One year or less | \$ 150,000 |
| 2021 | <u>100,000</u> |
| | <u>\$ 250,000</u> |

Big Green

Notes to Financial Statements

4) Property and Equipment

The major classes of property and equipment at June 30, 2019 and 2018 are as follows:

| | 2019 | 2018 |
|-------------------------------|------------------|-------------------|
| Equipment | \$ 281,213 | \$ 294,751 |
| Leasehold improvements | 3,566 | 92,491 |
| | <u>284,779</u> | <u>387,242</u> |
| Less accumulated depreciation | (188,606) | (249,443) |
| Property and equipment, net | <u>\$ 96,173</u> | <u>\$ 137,799</u> |

Depreciation expense for the years ended June 30, 2019 and 2018 was \$62,270 and \$86,420, respectively.

5) Net Assets

Net assets with donor restrictions were as follows for the years ended June 30, 2019 and 2018:

| | 2019 | 2018 |
|-------------------------------------|---------------------|-------------------|
| Specific purpose - Learning gardens | | |
| Project grants | \$ 37,092 | \$ - |
| Corporate grants | 50,000 | - |
| Foundation Grants | 671,241 | - |
| Passage of time | | |
| Grants receivable | 260,285 | - |
| Pledges receivable | 250,000 | 500,000 |
| Total | <u>\$ 1,268,618</u> | <u>\$ 500,000</u> |

Net assets without donor restrictions were as follows for the years ended June 30, 2019 and 2018:

| | 2019 | 2018 |
|--------------|---------------------|---------------------|
| Undesignated | <u>\$ 3,124,316</u> | <u>\$ 3,647,138</u> |

Big Green

Notes to Financial Statements

Net assets released from net assets with donor restrictions are as follows:

| | 2019 | 2018 |
|-------------------------------------|--------------|------------|
| Satisfaction of purpose restriction | \$ 1,059,955 | \$ - |
| Satisfaction of time restriction | 250,000 | 200,000 |
| Total | \$ 1,309,955 | \$ 200,000 |

6) Lease Commitments

The Organization has a lease agreement for office space in Boulder, CO, which expires January 31, 2023. The Organization also has leases in Chicago, IL which expires October 31, 2020, Memphis, TN which expires September 30, 2020, Indianapolis, IN which expires June 30, 2021, Detroit, MI which expires January 31, 2021 and in Denver, CO which expires June 30, 2020. All other office and warehouse leases are month to month. The Organization has month to month leases for warehouse space in Denver, CO, Los Angeles, CA, Indianapolis, IN and Chicago, IL. The monthly expense for the month to month leases range from \$2,250 - \$3,000/month. The Boulder, CO, Chicago, IL, Indianapolis, IN and Memphis, TN lease payments are subject to increase based on operating expenses and real estate taxes.

Minimum future lease payments for the twelve months ended June 30 under these agreements are as follows:

| | Boulder, CO | Chicago, IL | Denver, CO | Detroit, MI | Indianapolis, IN | Memphis, TN |
|------|-------------|-------------|------------|-------------|------------------|-------------|
| 2020 | \$ 166,159 | \$ 32,100 | \$ 24,000 | \$ 13,200 | \$ 24,000 | \$ 40,234 |
| 2021 | 172,253 | 10,800 | | 7,700 | 24,960 | 10,130 |
| 2022 | 175,450 | | | | | |
| 2023 | 103,450 | | | | | |
| | \$ 617,313 | \$ 42,900 | \$ 24,000 | \$ 20,900 | \$ 48,960 | \$ 50,364 |

Rent expense was \$341,498 and \$329,716 for the years ended June 30, 2019 and 2018, respectively.

7) Related Party

The Organization entered into a contract dated July 1, 2017 and expiring June 30, 2018 to provide services to The Kitchen Café, LLC (the "Kitchen") and Square Roots for an annual fee of \$132,000 and monthly fee of \$11,111, respectively. Services included in the scope of the contract include, but are not limited to, marketing, non-salaried public relations, national and international conferences and investor relations. The Organization's officers are investors and officers in both entities. Reimbursements received from these related parties were \$224,741 for the year ended June 30, 2018.

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Notes to Financial Statements

Donations made to the Organization by related parties were \$781,000 and \$998,000 for the years ended June 30, 2019 and June 30, 2018, respectively.

8) Retirement Plan

The Organization participates in a multiple employer 401(k) retirement plan for its employees. All employees are eligible for the plan and can make voluntary contributions to the plan. The Organization does not contribute to the plan.

9) Significant Concentrations

The Organization received contributions from related parties representing less than 10% of total revenue for the years ended June 30, 2019 and June 30, 2018, respectively. The Organization believes these donors will continue to provide support for its programs in future years.

As of June 30, 2019 and 2018, three donors represented 100% of the pledges receivable. Additionally, two accounts represented 79% and 77% of the accounts receivable as of June 30, 2019 and 2018, respectively.

10) Subsequent Events

The Organization has evaluated subsequent events through November 26, 2019, which is the date these financial statements were available to be issued. There are no subsequent events that require recognition or disclosure.