BIG GREEN

FINANCIAL STATEMENTS

FOR THE PERIOD FROM JULY 1, 2022 TO DECEMBER 31, 2023

BIG GREEN
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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Big Green
Denver, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Big Green (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the eighteen-month period from July 1, 2022 to December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Green as of December 31, 2023, and the changes in its net assets and its cash flows for the eighteen-month period 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 (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Big Green 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.

Emphasis-of-Matter Regarding Correction of an Error

As described in Note 9 to the financial statements, the Organization has restated its net assets as of July 1, 2022. This adjustment impacted balances as of July 1, 2022. Our opinion is not modified with respect to this matter.

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 Big Green's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Big Green'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 Big Green'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
November 18, 2024

BIG GREEN
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 7,162,655
Pledges Receivable, Net	662,466
Prepaid Expenses and Other Current Assets	306,793
Total Current Assets	8,131,914
PROPERTY AND EQUIPMENT, Net	25,571
OTHER ASSETS	16,668
Total Assets	$ 8,174,153

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	$ 147,698
Grants Payable	2,000
Accrued Expenses	455,384
Deferred Revenue	110,000
Total Current Liabilities	715,082
NET ASSETS	
Without Donor Restrictions	4,018,362
With Donor Restrictions	3,440,709
Total Net Assets	7,459,071
Total Liabilities and Net Assets	$ 8,174,153

See accompanying Notes to Financial Statements.

BIG GREEN
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM JULY 1, 2022 TO DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Project Grants	$ 764	$ -	$ 764
Individual Contributions	1,107,927	1,027,013	2,134,940
Corporate Grants	100,000	550,000	650,000
Foundation Grants	617,000	1,000,000	1,617,000
Contributions of Nonfinancial Assets	363,000	-	363,000
Special Event Revenue, Gross	960,500	-	960,500
Other Income	322,720	-	322,720
Net Assets Released from Restrictions	4,602,698	(4,602,698)	-
Total Revenue	8,074,609	(2,025,685)	6,048,924
EXPENSES AND LOSSES			
Program Services	5,649,690	-	5,649,690
Development	2,120,733	-	2,120,733
Management and General	1,095,092	-	1,095,092
Total Expenses	8,865,515	-	8,865,515
Loss Contingency	450,000	-	450,000
Total Expenses and Losses	9,315,515	-	9,315,515
CHANGE IN NET ASSETS	(1,240,906)	(2,025,685)	(3,266,591)
Net Assets - Beginning of Year (As Restated - Note 9)	5,259,268	5,466,394	10,725,662
NET ASSETS - END OF PERIOD	$ 4,018,362	$ 3,440,709	$ 7,459,071

See accompanying Notes to Financial Statements.

BIG GREEN
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD FROM JULY 1, 2022 TO DECEMBER 31, 2023

	Program Services	Development	Management and General	Total
Garden Beds and Materials	$ 512,179	$ 253	$ -	$ 512,432
Salaries and Contract Labor	1,004,936	678,116	444,681	2,127,733
Payroll Taxes and Benefits	165,612	151,690	57,797	375,099
Grants Awarded Expense	2,781,056	-	-	2,781,056
Garden Programming and Supplies	272,607	931	-	273,538
Events	227,018	1,023,948	10	1,250,976
Marketing and Promotion	32,565	16,451	2,054	51,070
Printing, Postage, and Office Supplies	43,173	31,261	56,646	131,080
Professional Services	387,712	59,068	192,196	638,976
Rent and Utilities	59,157	7,629	18,452	85,238
Travel and Meetings	129,508	87,372	36,201	253,081
Insurance, Bank Fees, and Miscellaneous	170	46,635	131,632	178,437
Computer Expenses	30,597	16,634	144,809	192,040
Depreciation	3,400	745	10,614	14,759
Total Functional Expenses	$ 5,649,690	$ 2,120,733	$ 1,095,092	$ 8,865,515

See accompanying Notes to Financial Statements.

BIG GREEN
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 1, 2022 TO DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ (3,266,591)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	14,759
Loss on Disposal of Fixed Assets	(1,305)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	52,500
Pledges Receivable	(124,583)
Prepaid Expenses and Other Assets	(216,615)
Inventory	412
Other Assets	(4,262)
Accounts Payable	29,671
Grants Payable	(373,000)
Accrued Expenses	447,548
Deferred Revenue	(120,000)
Refundable Advances	(100,070)
Net Cash Used by Operating Activities	(3,661,536)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Equipment	(28,861)
Net Cash Used by Investing Activities	(28,861)
CHANGE IN CASH AND CASH EQUIVALENTS	(3,690,397)
Cash and Cash Equivalents - Beginning of Period	10,852,982
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 7,162,585

See accompanying Notes to Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Big Green (the Organization), is a Colorado nonprofit organization founded in 2011. Big Green's mission is to get everyone in America growing food.

Big Green works in communities across America. The organization identifies partners, deploys garden beds and supplies, curates educational and training material, and creates the conditions for lifelong gardening. Big Green has built a network of thousands of vibrant and edible gardens in homes, schools, and community spaces across the country.

Big Green is headquartered in Denver, Colorado.

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 – These assets are resources that are free of donor-imposed restrictions. All revenues, expenses, gains, and losses that are not changes in donor restricted net assets are considered without donor restriction. Any limitations on these funds are determined by the board of directors.

Net Assets With Donor Restrictions – The donor restrictions are restrictions that will be met either by the passage of time or by satisfying the purpose of the restriction, or resources which the donor has specified must be maintained in perpetuity. The income related to resources held in perpetuity are considered donor restricted resources that are temporary in nature based on the donor's instructions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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, along with investments having longer term maturities with insignificant or no early redemption penalties, such as certificates of deposit.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Insurance coverage under the Federal Deposit Insurance Corporation (FDIC) is up to $250,000 per depositor at financial institutions. The Organization had approximately $250,000 of deposits in excess of FDIC insured limits as of December 31, 2023. Protection under the Securities Investor Protection Corporation (SPIC) is up to $250,000 per depositor at brokerage firms. The Organization had approximately $6,440,000 of deposits in excess of SIPC protected amounts as of December 31, 2023.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

Accounts Receivable

Accounts receivable consist of amounts receivable from municipal contracts and other project agreements. The Organization uses historical loss information based on aging of receivables as the basis to determine expected credit losses for receivables. A loss rate is developed for each risk category based on aging. Management believes no allowance for credit losses was necessary at December 31, 2023.

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 net realizable value. Unconditional promises to give that are expected to be received after one year are recorded at present value. 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. At December 31, 2023, the allowance was $72,700.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of advance payments for events. These amounts are charged to expense when the events occur.

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 December 31, 2023 as management believes the amount is immaterial.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment have 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).

Deferred Revenue

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

Revenue Recognition

To determine revenue recognition for the arrangements that the Organization determines are within the scope of ASC Topic 606, *Revenue from Contracts with Customers (Topic 606)*, the Organization performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Organization satisfies a performance obligation.

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized until the conditions on which they depend have been substantially met. It is the Organization's policy to record conditional donor restricted contributions received and expended in the same period as contributions without donor restrictions. Contributions of a conditional nature with specified terms are recorded as refundable advances when received and revenue is recognized as conditions are satisfied. In the event conditions are not met the unused contribution would be returned to the donor.

Contributions and grants received are recorded as with donor restrictions or without donor restrictions, depending on the existence and nature of the donor restrictions. All contributions and grants are considered to be without donor restrictions unless specifically restricted by the donor. Net assets with donor restrictions 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.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue when it has satisfied the condition of the special event taking place.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Assets (In-Kind Contributions)

Contributed nonfinancial assets include donated auction items which are recorded at the respective fair values of the goods received (Note 6). In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

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 include 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 and Tax Benefits	Time and Effort
Grants Awarded Expense	Actual
Garden Programming and Supplies	Actual
Marketing and Promotion	Actual
Events	Actual
Printing, Postage, and Office Supplies	Square Footage
Professional Services	Actual
Rent and Utilities	Square Footage
Travel and Meetings	Actual
Insurance, Bank Fees, and Miscellaneous	Actual
Computer Expenses	Square Footage
Bad Debt Expense	Actual
Depreciation	Square Footage

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 did not have any unrelated business taxable income during the eighteen-month period ended December 31, 2023.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes (Continued)

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 2020.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842).* The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and liabilities on the statement of financial position. Most prominent of these changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. The adoption of the standard did not have a material impact on assets and liabilities reported on the statement of financial position.

As of July 1, 2022, the Organization adopted FASB ASU 2016-13*, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. There was no cumulative net asset adjustment as the implementation of Topic 326 did not have a material impact on the financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2023:

Cash and Cash Equivalents	$ 7,162,655
Pledges Receivable	662,466
Total	7,825,121
Less: Amounts Not Available for General Use:	
Net Assets Restricted by Donors	(3,440,709)
Financial Assets Available for General Use	$ 4,384,412

The Organization's goal is generally to maintain financial assets to meet six months of operating expenses. As a part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2023 totaled $662,466. All amounts are expected to be collected within one year of the financial statement date.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2023:

Equipment	$ 29,386
Less: Accumulated Depreciation	(3,815)
Property and Equipment, Net	$ 25,571

Depreciation expense totaled $14,759 for the eighteen-month period ended December 31, 2023.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2023:

Subject to Expenditure for Specified Purpose:	
Decentralized Autonomous Organization	$ 2,389,421
Learning Gardens	833,288
Subject to the Passage of Time:	
Pledges Receivable	218,000
Total	$ 3,440,709

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the eighteen-month period ended December 31, 2023:

Satisfaction of Purpose Restriction	$ 4,507,698
Expiration of Time Restrictions	95,000
Total	$ 4,602,698

NOTE 6 CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets (in-kind contributions) recognized within the statement of activities are as follows for the eighteen-month period ended December 31, 2023:

Asset	2023 Recognized	Monetized or Utilized	Utilization in Function	Donor Restrictions	Valuation Technique
Auction Items	$ 363,000	Monetized	Development and Special Events	Time Restriction	Sales Prices of Comparable Goods
	$ 363,000				

NOTE 7 RELATED PARTY TRANSACTIONS

Donations made to the Organization by board members were approximately $811,000 for the eighteen-month period ended December 31, 2023.

NOTE 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.

NOTE 9 RESTATEMENT

During the current fiscal year, the Organization identified errors in the recognition of Employee Retention Tax Credit (ERTC) revenue claimed and other contribution revenue recognized in a previous year. As a result, the net assets as of July 1, 2022 have been restated to reflect this activity.

The effects of this restatement on net assets as of July 1, 2022 have been summarized below.

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - Beginning of Year As Originally Stated	$ 4,816,385	$ 5,566,394	$ 10,382,779
Effect of Change	442,883	(100,000)	342,883
Net Assets - Beginning of Year As Restated	$ 5,259,268	$ 5,466,394	$ 10,725,662

NOTE 10 SUBSEQUENT EVENTS

Lease Commitment

On December 15, 2023, the Organization entered into a lease agreement for office space located in Denver, Colorado. The lease term commences on January 1, 2024 and expires in three years, with an option to renew for an additional three years. The annual lease payments are approximately $89,000, subject to an annual escalation of approximately 3%.

The lease commenced subsequent to year-end and, therefore, is not reflected in the financial statements as of December 31, 2023.

Loss Contingency

The Organization settled a legal dispute on August 19, 2024. As part of the settlement, the Organization agreed to payments totaling approximately $450,000. The full amount of agreed upon payments were made and reimbursed to the Organization by its Employment Practices Liability (EPL) insurance carrier in August 2024. As this loss contingency is estimable and probable, it was recorded – in accordance with accounting standards -- as of year-end due to the matter originating before December 31, 2023. Accounting standards also specify that the insurance reimbursement of the matter be recorded in fiscal year 2024 when the reimbursement is considered realizable.