

BIG GREEN
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022



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**BIG GREEN
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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Big Green
Broomfield, Colorado

We have reviewed the accompanying financial statements of Big Green, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Big Green and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Denver, Colorado
May 15, 2024

BIG GREEN
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 10,852,982
Accounts Receivable	52,500
Pledges Receivable	95,000
Prepaid Expenses and Other Current Assets	90,178
Inventory	412
Total Current Assets	<u>11,091,072</u>

PROPERTY AND EQUIPMENT, Net	10,164
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OTHER ASSETS

12,406

Total Assets	<u><u>\$ 11,113,642</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 118,027
Grants Payable	375,000
Accrued Expenses	7,836
Deferred Revenue	230,000
Refundable Advance - Paycheck Protection Program	-
Total Current Liabilities	<u>730,863</u>

NET ASSETS

Without Donor Restrictions	4,816,385
With Donor Restrictions	5,566,394
Total Net Assets	<u>10,382,779</u>

Total Liabilities and Net Assets	<u><u>\$ 11,113,642</u></u>
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See accompanying Notes to Financial Statements.

BIG GREEN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Project Grants	\$ 50,439	\$ -	\$ 50,439
Individual Contributions	3,167,714	6,587,464	9,755,178
Corporate Grants	48,069	80,000	128,069
Foundation Grants	953,061	585,000	1,538,061
Government Grants	852,334	-	852,334
Contributions of Nonfinancial Assets	403,280	50,000	453,280
Special Event Revenue, Gross	688,000	25,000	713,000
Other Income	17,985	-	17,985
Net Assets Released from Restrictions	1,817,320	(1,817,320)	-
Total Revenue	<u>7,998,202</u>	<u>5,510,144</u>	<u>13,508,346</u>
EXPENSES			
Program Services	4,747,997	-	4,747,997
Development	1,489,678	-	1,489,678
Management and General	535,650	-	535,650
Total Expenses	<u>6,773,325</u>	<u>-</u>	<u>6,773,325</u>
CHANGE IN NET ASSETS	1,224,877	5,510,144	6,735,021
Net Assets - Beginning of Year	<u>3,591,508</u>	<u>56,250</u>	<u>3,647,758</u>
NET ASSETS - END OF YEAR	<u>\$ 4,816,385</u>	<u>\$ 5,566,394</u>	<u>\$ 10,382,779</u>

See accompanying Notes to Financial Statements.

BIG GREEN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	Program Services	Development	Management and General	Total
Garden Beds and Materials	\$ 490,875	\$ -	\$ -	\$ 490,875
Salaries and Contract Labor	1,235,179	617,804	71,434	1,924,417
Payroll Taxes and Benefits	210,475	111,233	26,751	348,459
Grants Awarded Expense	2,215,184	-	25,000	2,240,184
Garden Programming and Supplies	197,606	-	-	197,606
Events	187	376,860	-	377,047
Marketing and Promotion	3,953	2,947	6,990	13,890
Printing, Postage, and Office Supplies	39,964	12,306	24,500	76,770
Professional Services	209,439	1,425	257,826	468,690
Rent and Utilities	55,186	7,173	12,572	74,931
Travel and Meetings	78,673	48,304	25,335	152,312
Insurance, Bank Fees, and Miscellaneous	45	301,401	31,200	332,646
Computer Expenses	5,139	8,897	53,651	67,687
Bad Debt Expense	-	-	-	-
Depreciation	6,092	1,328	391	7,811
Total Expenses	<u>\$ 4,747,997</u>	<u>\$ 1,489,678</u>	<u>\$ 535,650</u>	<u>\$ 6,773,325</u>

See accompanying Notes to Financial Statements.

BIG GREEN
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 6,735,021
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	7,811
Loss on Disposal of Fixed Assets	15,329
Write-Off of Pledge Receivable	-
Paycheck Protection Program Loan Forgiveness	(852,334)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(48,508)
Pledges Receivable	(95,000)
Prepaid Expenses and Other Assets	27,963
Inventory	209,234
Other Assets	100
Accounts Payable	80,661
Grants Payable	375,000
Accrued Expenses	(43,495)
Deferred Revenue	(322,000)
Refundable Advance - Paycheck Protection Program	-
Net Cash Provided by Operating Activities	6,089,782

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Equipment	(6,915)
Net Cash Used by Investing Activities	(6,915)

CHANGE IN CASH AND CASH EQUIVALENTS

6,082,867

Cash and Cash Equivalents - Beginning of Year

4,770,115

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 10,852,982

See accompanying Notes to Financial Statements.

BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 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 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.

BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$6,900,000 of deposits in excess of FDIC insured limits as of June 30, 2022. Protection under the Securities Investor Protection Corporation (SIPC) is up to \$250,000 per depositor at brokerage firms. The Organization had approximately \$2,100,000 of deposits in excess of protected amounts as of June 30, 2022. The Organization had approximately \$1,400,000 of uninsured deposits held at a cryptocurrency exchange and custodian bank as of June 30, 2022.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from corporations and foundations supportive of their mission.

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, 2022.

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. Management believes no allowance was necessary at June 30, 2022.

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 June 30, 2022, as management believes the amount is immaterial.

BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 (three to ten 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, 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 the funds are expended as instructed by the donor. 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. Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place (a barrier).

**BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Assets (In-Kind Contributions)

Contributed nonfinancial assets include donated auction items and program supplies 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:

<u>Expense</u>	<u>Method of Allocation</u>
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 year ended June 30, 2022.

BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

Change in Accounting Principle

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) Number 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about noncash contributions nonprofit organizations receive or make, known as gifts-in-kind (GIKs). Contributed nonfinancial assets are required to be reported by category within the statements of activities, and additional disclosures are required for each category, including whether nonfinancial assets were monetized or utilized during the reporting period, the policy for monetizing nonfinancial contributions, and descriptions of the fair value techniques used to arrive at a fair value measurement. The Organization adopted the requirements of the new ASU as of July 1, 2021, utilizing the retrospective method of transition. The adoption of this ASU did not result in a material impact on the Organization's financial statements.

New Accounting Pronouncements – Future Adoption

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* which is intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets. The new standard takes effect for calendar year 2023 for the Organization.

Management is currently evaluating the potential impact of this ASU on the Organization's financial statements.

BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 for the year ended June 30:

	2022
Cash and Cash Equivalents	\$ 10,852,982
Accounts Receivable	52,500
Pledges Receivable	95,000
Total	11,000,482
Less: Amounts Not Available for General Use:	
Net Assets Restricted by Donors	(5,566,394)
Financial Assets Available at Year-End For General Use	\$ 5,434,088

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 for the year ended June 30, 2022 totaled \$95,000. 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 June 30:

	2022
Equipment	\$ 95,169
Less: Accumulated Depreciation	(85,005)
Property and Equipment, Net	\$ 10,164

Depreciation expense totaled \$7,811 for the year ended June 30, 2022.

**BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods for the year ended June 30:

	2022
Subject to Expenditure for Specified Purpose:	
Decentralized Autonomous Organization	\$ 4,576,394
Learning Gardens	895,000
Subject to the Passage of Time:	
Pledges Receivable	95,000
Total	\$ 5,566,394

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 year ended June 30:

	2022
Satisfaction of Purpose Restriction	\$ 1,817,320

NOTE 6 CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets (in-kind contributions) recognized within the statements of activities are as follows for the year ended June 30:

Nonfinancial Asset	2022 Revenue Recognized	Monetized or Utilized	Utilization in Function	Donor Restrictions	Valuation Technique
Auction Items	\$ 453,280	Monetized	Development and Special Events	Time Restriction	Sales Prices of Comparable Goods
Program Supplies	-	Utilized	Program Services	No Donor Restriction	Sales Prices of Comparable Goods
	\$ 453,280				

NOTE 7 RELATED PARTY TRANSACTIONS

Donations made to the Organization by board members were approximately \$2,000,000 for the year ended June 30, 2022.

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.

BIG GREEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The Organization received a loan in the amount of \$852,334 to fund payroll, rent and utilities through the federal Paycheck Protection Program. This loan had stipulations that allowed the amounts owed to be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program administered by the U.S. Small Business Administration. The loan originated in February of 2021. On October 5, 2021, the Organization was notified that the SBA approved full forgiveness for the entire amount of its PPP Loan. Accordingly, the Organization recognized \$852,334 of Paycheck Protection Program Loan forgiveness revenue within the Government Grant revenue in the statement of activities related to this agreement during the year ended June 30, 2022, which represents the entire amount of the PPP loan as management believes that all the related performance barriers have been met.

NOTE 10 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 15, 2024, which is the date these financial statements were available to be issued.



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