

**URBAN GREEN LAB, INC.**

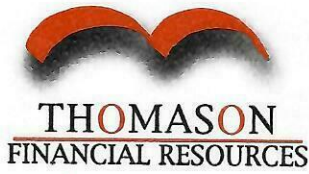
**FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**DECEMBER 31, 2024**

**URBAN GREEN LAB, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors of  
Urban Green Lab, Inc.

We have reviewed the accompanying financial statements of Urban Green Lab, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows 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 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.

***Accountant's 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 AICPA. 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 Urban Green Lab, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

***Accountant's 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 black ink, appearing to read "Thomas Financial Resources".

July 16, 2025

**URBAN GREEN LAB, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	282,672
Grants receivable		25,300
Prepays		2,178
Total current assets		<u>310,150</u>

**Noncurrent Assets**

Property and Equipment (net of accumulated depreciation of \$18,522)		31,725
Operating lease right-of-use assets		48,946
Total noncurrent assets		<u>80,671</u>

Total assets	\$	<u><u>390,821</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$	3,321
Accrued expenses		4,653
Operating lease liabilities, current maturities		51,125
Total current liabilities		<u>59,099</u>

**Net Assets**

Without donor restrictions		<u>331,722</u>
Total net assets		<u>331,722</u>

Total liabilities and net assets	\$	<u><u>390,821</u></u>
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See independent accountant's review report and accompanying notes to financial statements

**URBAN GREEN LAB, INC.  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Public Support:			
Contributions	\$ 730,894	\$ -	\$ 730,894
Government grant revenue	7,206	-	7,206
Total public support	738,100	-	738,100
Revenue:			
Program fees	15,389	-	15,389
Employee retention credit refund	31,772	-	31,772
Interest income	975	-	975
Total revenue	48,136	-	48,136
Net assets released from restrictions	48,490	(48,490)	-
<b>Total public support and revenue</b>	834,726	(48,490)	786,236
<b>Expenses</b>			
Program services:			
Classrooms	125,598	-	125,598
Households	142,834	-	142,834
Workplaces	181,818	-	181,818
Special initiatives	160,966	-	160,966
Total program services	611,216	-	611,216
Supporting services:			
Management and general	232,589	-	232,589
Fundraising	72,293	-	72,293
Total supporting services	304,882	-	304,882
<b>Total expenses</b>	916,098	-	916,098
<b>Change in net assets</b>	(81,372)	(48,490)	(129,862)
Net assets at beginning of year	413,094	48,490	461,584
<b>Net assets at end of year</b>	\$ 331,722	\$ -	\$ 331,722

See independent accountant's review report and accompanying notes to financial statements

**URBAN GREEN LAB, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Classrooms</u>	<u>Households</u>	<u>Workplaces</u>	<u>Special Initiatives</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 105,716	\$ 109,622	\$ 147,228	\$ 111,622	\$ 474,188	\$ 60,022	\$ 56,859	\$ 116,881	\$ 591,069
Payroll taxes	7,564	8,415	11,171	8,567	35,717	4,448	4,340	8,788	44,505
Employee benefits	3,634	15,418	12,352	15,532	46,936	10,213	6,695	16,908	63,844
Total compensation	<u>116,914</u>	<u>133,455</u>	<u>170,751</u>	<u>135,721</u>	<u>556,841</u>	<u>74,683</u>	<u>67,894</u>	<u>142,577</u>	<u>699,418</u>
Professional fees	1,984	3,059	2,641	18,867	26,551	59,082	-	59,082	85,633
Operating lease expense					-	59,666	-	59,666	59,666
Office expenses	-	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-
Software fees	1,027	1,027	1,027	1,027	4,108	2,960	3,916	6,876	10,984
Insurance	-	-	-	-	-	9,740	-	9,740	9,740
Travel	1,236	119	2,666	729	4,750	3,496	186	3,682	8,432
Meetings	260	1,347	861	591	3,059	4,801	54	4,855	7,914
Staff and board appreciation	206	-	-	-	206	1,752	-	1,752	1,958
Professional fees grant and award	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	4,439	-	4,439	4,439
Supplies	144	-	46	204	394	1,453	243	1,696	2,090
Depreciation	-	-	-	-	-	10,517	-	10,517	10,517
Miscellaneous	3,827	3,827	3,826	3,827	15,307	-	-	-	15,307
Total expenses by function	<u>\$ 125,598</u>	<u>\$ 142,834</u>	<u>\$ 181,818</u>	<u>\$ 160,966</u>	<u>\$ 611,216</u>	<u>\$ 232,589</u>	<u>\$ 72,293</u>	<u>\$ 304,882</u>	<u>\$ 916,098</u>
Current year's percentages	13.71%	15.59%	19.85%	17.57%	66.72%	25.39%	7.89%	33.28%	100.00%

See independent accountant's review report and accompanying notes to financial statements

**URBAN GREEN LAB, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Cash Flows From Operating Activities:**

Change in net assets	\$ (129,862)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	10,517
Bad debt expense	250
Changes in operating assets and liabilities:	
Contributions receivable	50,000
Grants receivable	(4,850)
Prepays	(3,676)
Accounts payable	14
Accrued expenses	1,436
Net cash used in operating activities	<u>(76,171)</u>

**Cash Flows From Investing Activities:**

Purchase of property and equipment	<u>(2,049)</u>
Net cash used in investing activities	<u>(2,049)</u>

Net change in cash and cash equivalents	(78,220)
Cash and cash equivalents at beginning of year	<u>360,892</u>
Cash and cash equivalents at end of year	<u>\$ 282,672</u>

See independent accountant's review report and accompanying notes to financial statements

**URBAN GREEN LAB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Urban Green Lab, Inc. (the “Organization”) is a nonprofit organization chartered in the State of Tennessee in 2009, to teach communities how to live sustainably. This is implemented by organizing, training, and connecting for classrooms, households, and workplaces. The Organization is supported primarily through corporate and foundation contributions.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets 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.

Net assets with donor restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular 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; the organization must continue to use the resources in accordance with the donor’s instructions.

Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as net assets without donor restrictions. When a restriction expires in a period after the contributions are received, 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.

**URBAN GREEN LAB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Basis of Presentation-continued**

The amount for each of these classes of net assets is displayed in the statement of financial position and the amount of change in each class of net assets is displayed in the statement of activities. As of December 31, 2024, there were no net assets with donor restrictions.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents. At December 31, 2024, the Organization had no cash equivalents.

**Property and Equipment**

Property and equipment are recorded at cost to the Organization, or if donated, at the estimated fair market value at the date of donation. All depreciation is computed using the straight-line method based on the estimated useful life of the asset. Expenditures for repairs and maintenance are charged to operations when incurred. Estimated useful lives are 7 years for furniture and fixtures, 3 years for computer equipment and 3 years for leasehold improvements. Expenditures for repairs and maintenance are charged to operations when incurred.

**Support and Revenue Recognition**

*Contributions and Government Grants:* Contributions and Government Grants are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest are received. Conditional promises to give, including 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 met. Contributions and Government Grants that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Program fees:* Program fees are recognized at the time fees are earned, regardless of when it is received. Such program fees are for sustainability training services rendered to local businesses and governmental units.

**URBAN GREEN LAB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Organization is a nonprofit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

**Expense Recognition and Allocation**

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Meetings, travel, and other expenses that cannot be directly identified are also allocated on the basis of activity reports prepared by key personnel.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the website is updated with requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

**URBAN GREEN LAB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Leases**

The Organization leases office space for its operating headquarters. The determination of whether an arrangement is a lease is made at the lease's inception. For contracts entered into on or after the effective date or at the inception of a contract, the Organization assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Organization obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Organization has the right to direct the use of the asset. The Organization has also elected not to recognize right-of-use ("ROU") assets and lease liabilities for short-term leases that have a term of twelve months or less but includes the expense associated with short-term leases in rent expense in the statement of activities. The effect of short-term leases would not be material to the ROU assets and lease liabilities.

The operating lease is recorded as an operating lease ROU asset and operating lease liability in the statement of financial position. For the operating lease, the lease liability is measured as the present value of the lease payments over the lease term using the rate implicit in the lease, if it is determinable. The operating lease does not provide an implicit rate and as such, the Organization has elected to utilize the incremental borrowing rate to calculate the lease asset and liability. Operating ROU asset is calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease incentives received. Lease term may include renewal or extension options to the extent they are reasonably certain to be exercised. Operating lease expense is recognized on a straight-line basis over the lease term in the statement of activities.

ROU assets are assessed for impairment in accordance with the Organization's long-lived asset policy. Management reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with ASC 842.

**URBAN GREEN LAB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

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, comprise the following as of December 31, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$282,672
Grants receivable	<u>25,300</u>
 Total financial assets	 \$307,972
 Financial assets to meet cash needs for	
General expenditures within one year	<u>\$307,972</u>

The Organization has a goal to maintain financial assets, which consist of cash on hand to meet six months of normal operating expenses. The Organization also has a policy to structure its financial assets to be available as its general expenditures, liabilities, and any other obligations come due.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2024:

Furniture and fixtures	\$33,491
Leasehold improvements	10,000
Computer hardware	<u>6,756</u>
	\$50,247
Less accumulated depreciation	<u>(18,522)</u>
	<u>\$ 31,725</u>

**NOTE 4 – CONCENTRATION OF RISK**

Amounts held in a financial institution occasionally are in excess of the Federal Deposit Insurance Corporation limit. The organization deposits its cash with a high-quality financial institution, and management believes the organization is not exposed to significant credit risk on those amounts

**URBAN GREEN LAB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 5 – LEASES**

The Organization leases office space under an operating lease expiring in October 2025. No renewal or termination options are provided for in the above operating lease. In the normal course of business, operating leases are generally renewed or replaced by other leases.

The component of lease expense for December 31, 2024 is as follows:

Operating lease expense	\$59,666
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Additional supplemental information regarding assumptions for operating lease is as follows for December 31, 2024:

Weighted-average remaining lease term (years)	.83
Weighted-average discount rate	4.03%

As of December 31, 2023, the maturity of the operating lease liabilities is as follows:

<b>Maturity</b>	
	2025
	<u>\$ 51,900</u>
Total undiscounted cash flows	\$ 51,900
Less: present value discount	<u>( 775)</u>
Total operating lease liabilities	<u>\$ 51,125</u>

**NOTE 6 – REVOLVING LINE OF CREDIT**

The Organization has a \$50,000 unsecured revolving line of credit requiring any outstanding principal plus all accrued unpaid interest to be paid in one payment on January 15, 2026. Interest portion on any outstanding principal balance will be at a variable rate based on the prime rate not to be less than 4.50% or more than the lesser of 30.00% or the maximum rate allowed by applicable law. As of December 31, 2024, the Organization had no borrowings against this revolving line of credit.

**URBAN GREEN LAB, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 7 – RETIREMENT PLAN**

The Organization has a simplified employee pension plan for essentially all employees developed pursuant to Internal Revenue Code Section 408(p). The Organization matches employees' contributions of up to 3% of annual salary and totaled \$16,627 for the year ending December 31, 2024.

**NOTE 8 – SUBSEQUENT EVENTS**

The Organization evaluated subsequent events through July 16, 2025, the issuance of the Organization's financial statements.