

**KULTURECITY**  
DECEMBER 31, 2025

FINANCIAL STATEMENTS

KULTURECITY

INDEX

|                                   | <u>PAGE</u> |
|-----------------------------------|-------------|
| Independent auditors' report      | 1 - 2       |
| Statements of financial position  | 3           |
| Statements of activities          | 4           |
| Statements of functional expenses | 5 - 6       |
| Statements of cash flows          | 7           |
| Notes to financial statements     | 8 - 12      |



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of KultureCity

### **Opinion**

We have audited the accompanying financial statements of KultureCity (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KultureCity as of December 31, 2025 and 2024, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KultureCity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 KultureCity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 purposes of expressing an opinion on the effectiveness of KultureCity'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 KultureCity'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.

*Branum & Company, P.C.*

Greenville, Alabama  
April 24, 2026

KULTURECITY  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2025 AND 2024

| ASSETS                                  |    | <u>2025</u>          | <u>2024</u>       |
|---|----|----------------------|-------------------|
| CURRENT ASSETS:                         |    |                      |                   |
| Cash and cash equivalents               | \$ | 587,435              | \$ 596,213        |
| Accounts receivable                     |    | 130,038              | 148,812           |
| Investments                             |    | 282,026              | 57,858            |
| Prepaid expenses                        |    | 70,000               | 61,831            |
| Total current assets                    |    | <u>1,069,499</u>     | <u>864,714</u>    |
| PROPERTY AND EQUIPMENT, AT COST:        |    |                      |                   |
| Equipment                               |    | 27,268               | 27,268            |
| Land and Buildings                      |    | 11,139,397           |                   |
| Totals                                  |    | <u>11,166,665</u>    | <u>27,268</u>     |
| Less: Accumulated depreciation          |    | 156,599              | 17,312            |
| Total property and equipment            |    | <u>11,010,066</u>    | <u>9,956</u>      |
| Total assets                            |    | <u>\$ 12,079,565</u> | <u>\$ 874,670</u> |
| LIABILITIES AND NET ASSETS              |    |                      |                   |
| CURRENT LIABILITIES:                    |    |                      |                   |
| Current maturities on long-term debt    | \$ | 11,816               | \$ 11,495         |
| Accounts payable                        |    | 133,540              | 104,758           |
| Accrued payroll taxes and withholdings  |    | 20,694               | 21,805            |
| Deferred revenue                        |    | 170,000              | 230,749           |
| Total current liabilities               |    | <u>336,050</u>       | <u>368,807</u>    |
| NONCURRENT LIABILITIES:                 |    |                      |                   |
| Long-term debt, less current maturities |    | <u>9,599,707</u>     | <u>467,016</u>    |
| Total noncurrent liabilities            |    | <u>9,599,707</u>     | <u>467,016</u>    |
| Total liabilities                       |    | <u>9,935,757</u>     | <u>835,823</u>    |
| NET ASSETS:                             |    |                      |                   |
| Without donor restrictions              |    | 2,143,808            | 38,847            |
| With donor restrictions                 |    | -                    | -                 |
| Total net assets                        |    | <u>2,143,808</u>     | <u>38,847</u>     |
| Total liabilities and net assets        |    | <u>\$ 12,079,565</u> | <u>\$ 874,670</u> |

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

KULTURECITY  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

|                                   | <u>2025</u>  | <u>2024</u>  |
|-----------------------------------|--------------|--------------|
| SUPPORT AND REVENUE:              |              |              |
| Donations and pledges             | \$ 7,934,018 | \$ 6,258,871 |
| Gala event income                 | 1,509,470    | 1,379,175    |
| Investment income                 | 12,093       | 13,893       |
| Other income                      | 3,920        | 1,417        |
| Total support and revenue         | 9,459,501    | 7,653,356    |
| EXPENSES:                         |              |              |
| Program services                  | 5,978,463    | 6,591,733    |
| General and administrative        | 547,294      | 309,498      |
| Fundraising                       | 828,783      | 855,705      |
| Total expenses                    | 7,354,540    | 7,756,936    |
| INCREASE (DECREASE) IN NET ASSETS | 2,104,961    | (103,580)    |
| NET ASSETS AT BEGINNING OF YEAR   | 38,847       | 142,427      |
| NET ASSETS AT END OF YEAR         | \$ 2,143,808 | \$ 38,847    |

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

KULTURECITY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025

|                             | PROGRAM<br>SERVICES | GENERAL<br>AND<br>ADMINISTRATIVE | FUND<br>RAISING   | TOTAL<br>EXPENSES   |
|-----------------------------|---------------------|----------------------------------|-------------------|---------------------|
| Salaries                    | \$ 576,980          | \$ 121,615                       | \$ 5,040          | \$ 703,635          |
| Payroll taxes               | 44,764              | 9,826                            |                   | 54,590              |
| Total personnel             | <u>621,744</u>      | <u>131,441</u>                   | <u>5,040</u>      | <u>758,225</u>      |
| Advertising and marketing   | 97,525              |                                  |                   | 97,525              |
| Dues and subscriptions      | 1,074               | 1,908                            |                   | 2,982               |
| Insurance expense           | 148,019             |                                  |                   | 148,019             |
| Charitable contributions    | 5,579               |                                  |                   | 5,579               |
| Gala expense                |                     |                                  | 596,386           | 596,386             |
| Merchant fees               | 39,688              |                                  |                   | 39,688              |
| Office supplies and expense |                     | 8,067                            |                   | 8,067               |
| Legal and professional      |                     | 24,610                           |                   | 24,610              |
| Interest expense            |                     | 293,882                          |                   | 293,882             |
| Rent expense                |                     | 49,500                           |                   | 49,500              |
| Program expense Kulture     | 1,783,517           |                                  |                   | 1,783,517           |
| Catering expense            |                     |                                  | 72,243            | 72,243              |
| Production design           |                     |                                  | 7,578             | 7,578               |
| Production management       |                     |                                  | 73,519            | 73,519              |
| Interpreting                |                     |                                  | 3,216             | 3,216               |
| Entertainment               |                     |                                  | 40,000            | 40,000              |
| Venue expense               |                     |                                  | 28,417            | 28,417              |
| Other fundraising expense   |                     |                                  | 2,384             | 2,384               |
| Program Sensory Initiative  | 3,029,276           |                                  |                   | 3,029,276           |
| Depreciation expense        | 136,403             | 2,884                            |                   | 139,287             |
| Website expense             | 115,638             | 20,407                           |                   | 136,045             |
| Utilities                   |                     | 14,595                           |                   | 14,595              |
| Total functional expenses   | <u>\$ 5,978,463</u> | <u>\$ 547,294</u>                | <u>\$ 828,783</u> | <u>\$ 7,354,540</u> |

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

KULTURECITY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

|                             | PROGRAM<br>SERVICES        | GENERAL<br>AND<br>ADMINISTRATIVE | FUND<br>RAISING          | TOTAL<br>EXPENSES          |
|-----------------------------|----------------------------|----------------------------------|--------------------------|----------------------------|
| Salaries                    | \$ 608,483                 | \$ 133,570                       |                          | \$ 742,053                 |
| Payroll taxes               | 48,356                     | 10,615                           |                          | 58,971                     |
| Total personnel             | <u>656,839</u>             | <u>144,185</u>                   | -                        | <u>801,024</u>             |
| Advertising and marketing   | 94,397                     |                                  |                          | 94,397                     |
| Dues and subscriptions      | 1,180                      | 2,099                            |                          | 3,279                      |
| Insurance expense           | 103,033                    |                                  |                          | 103,033                    |
| Charitable contributions    | 29,300                     |                                  |                          | 29,300                     |
| Gala expense                |                            |                                  | \$ 602,964               | 602,964                    |
| Merchant fees               | 17,988                     |                                  |                          | 17,988                     |
| Miscellaneous               |                            | 37,194                           |                          | 37,194                     |
| Office supplies and expense |                            | 11,795                           |                          | 11,795                     |
| Legal and professional      |                            | 22,470                           |                          | 22,470                     |
| Interest expense            |                            | 12,774                           |                          | 12,774                     |
| Rent expense                |                            | 49,500                           |                          | 49,500                     |
| Program expense Kulture     | 2,489,699                  |                                  |                          | 2,489,699                  |
| Fundraising expense         |                            |                                  | 252,741                  | 252,741                    |
| Program Sensory Initiative  | 3,082,636                  |                                  |                          | 3,082,636                  |
| Depreciation expense        |                            | 3,761                            |                          | 3,761                      |
| Website expense             | 116,661                    | 20,587                           |                          | 137,248                    |
| Utilities                   |                            | 5,133                            |                          | 5,133                      |
| Total functional expenses   | <u><u>\$ 6,591,733</u></u> | <u><u>\$ 309,498</u></u>         | <u><u>\$ 855,705</u></u> | <u><u>\$ 7,756,936</u></u> |

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

KULTURECITY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
Increase (Decrease) in Cash and Cash Equivalents

|   | <u>2025</u>         | <u>2024</u>       |
|---|---------------------|-------------------|
| CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:  |                     |                   |
| Increase (decrease) in net assets   | \$ 2,104,961        | \$ (103,580)      |
| Adjustments to reconcile change in net assets to cash from (used for) operating activities: |                     |                   |
| Depreciation  | 139,287             | 3,761             |
| (Increase) decrease in accounts receivable  | 18,774              | (49,281)          |
| (Increase) decrease in inventory  |                     | 154,722           |
| (Increase) decrease in prepaid expenses   | (8,169)             | 25,709            |
| Increase (decrease) in accounts payable   | 28,782              | 76,894            |
| Increase (decrease) in accrued liabilities  | (1,111)             | 3,557             |
| Increase (decrease) in deferred income  | <u>(60,749)</u>     | <u>(148,617)</u>  |
| Net cash from (used for) operating activities   | <u>2,221,775</u>    | <u>(36,835)</u>   |
| CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:  |                     |                   |
| Purchase of real estate   | (11,139,397)        |                   |
| Purchase of investments   | <u>(224,168)</u>    | <u>(33,409)</u>   |
| Net cash from (used for) investing activities   | <u>(11,363,565)</u> | <u>(33,409)</u>   |
| CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:  |                     |                   |
| Proceeds from long-term debt  | 9,650,000           |                   |
| Payments on long-term debt  | <u>(516,988)</u>    | <u>(17,225)</u>   |
| Net cash from (used for) financing activities   | <u>9,133,012</u>    | <u>(17,225)</u>   |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS  | (8,778)             | (87,469)          |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR  | <u>596,213</u>      | <u>683,682</u>    |
| CASH AND CASH EQUIVALENTS AT END OF YEAR  | <u>\$ 587,435</u>   | <u>\$ 596,213</u> |
| SUPPLEMENTAL DATA:  |                     |                   |
| Interest paid   | \$ 293,882          | \$ 12,774         |

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

KULTURECITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization - KultureCity (the Organization) is an Alabama nonprofit organization formed in 2013 and is designed to create a world where individuals with autism and all invisible disabilities, and their families are accepted, included, and treated equally.

Basis of accounting and presentation - These financial statements are presented on the accrual basis of accounting. Net assets, revenue and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as net assets without donor restrictions and net assets with donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor-imposed restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified and reported in the Statement of Activities as net assets released from restriction.

Revenue is reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Cash and cash equivalents - For the purposes of cash flows, the Organization considers all cash and liquid investments with a maturity of three months or less to be cash equivalents.

Accounts receivable - Accounts receivable are stated at unpaid balances. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Fair value measurements - The Organization follows the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification as assumptions market participants would use in pricing an asset or liability. The Organization has no assets that would be categorized as Level 2 or 3 in the fair value hierarchy.

KULTURECITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Contributed merchandise and other in-kind contributions - Contributed merchandise and other in-kind contributions, are reflected as contributions at their estimated fair values when received or when an unconditional promise to give has been received by the Organization.

Contributed services - Donated services are reflected at the estimated fair market value of such services except for individual's volunteer time which does not meet the criteria for recognition as contributed services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services.

Investments - Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income is recorded as an increase to net assets in the reporting period in which the income and gains are recognized.

Property and equipment - All property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are recorded as either with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

Depreciation is computed using straight line method over the estimated useful lives of the assets in service. It is the Organization's policy to capitalize significant additions and improvements. Disbursements for maintenance, repairs and minor renovations are recorded as expenses as incurred.

The estimated useful lives used to compute depreciation are as follows:

|                        |             |
|------------------------|-------------|
| Property and equipment | 5 - 7 years |
| Buildings              | 39 years    |

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Functional allocation of expenses - The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs

KULTURECITY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

have been allocated on a reasonable basis among the programs and supporting services benefited. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, which is allocated on a square footage basis; and supplies and office expenses which are allocated based on usage.

Subsequent events - Subsequent events have been evaluated through April 24, 2026, which is the date the financial statements were available to be issued.

NOTE 2 - CASH:

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses on such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 3 - INCOME TAXES:

The Organization is a nonprofit corporation that is exempt from income taxes under Internal Revenue Code Section 501(c)(3) as a tax-exempt organization and classified as other than a private foundation.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

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:

|                           | <u>2025</u>         | <u>2024</u>       |
|---------------------------|---------------------|-------------------|
| Cash and cash equivalents | \$ 587,435          | \$ 596,213        |
| Accounts receivable       | 130,038             | 148,812           |
| Short term investments    | 282,026             | 57,858            |
| Prepaid expenses          | 70,000              | 61,831            |
|                           | <u>\$ 1,069,499</u> | <u>\$ 864,714</u> |

NOTE 5 - SUPPORT AND REVENUE:

Numerous volunteers have donated significant amount of time to the Organization's fundraising campaigns and program services; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

KULTURECITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 and 2024

NOTE 6 - INVESTMENTS:

Investments consist primarily of securities traded on the national stock exchange. Investments are reported at fair value and are composed of the following:

|                   | Cost       | Fair Value | Quote Prices in<br>Active<br>Markets for Identical<br>Assets (Level 1) |
|-------------------|------------|------------|--|
| December 31, 2025 |            |            |  |
| Corporate Stocks  | \$ 278,906 | \$ 282,026 | \$ 282,026   |
| December 31, 2024 |            |            |  |
| Corporate Stocks  | \$ 53,658  | \$ 57,858  | \$ 57,858  |

Net investment return is reported in the statement of activities and consists of income from investments (interest and dividend income, realized and unrealized capital gains and losses) less any external investment expenses.

Investment income includes \$1,080 decrease and \$4,200 increase in fair value over cost in the years ended December 31, 2025 and 2024 respectively.

NOTE 7 - LONG-TERM DEBT:

Long-term debt at December 31, 2025 and 2024 consists of the following:

| DESCRIPTION  | <u>2025</u>  | <u>2024</u> |
|--|--------------|-------------|
| Note Payable – FirstBank; secured by real estate; interest rate 6.00%; quarterly payments of interest only until July 2027, when entire principal is due.                              | \$ 9,150,000 |             |
| Note Payable - Small Business Administration; secured by equipment, receivables and inventory; interest rate 2.75%; payments of \$2,196 per month through June 2050, include interest. | 461,523      | \$ 478,511  |
|  | 9,611,523    | 478,511     |
| Less: Current portion  | 11,816       | 11,495      |
| Totals   | \$ 9,599,707 | \$ 467,016  |

KULTURECITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 and 2024

NOTE 7 - LONG-TERM DEBT: (continued)

Maturities of long-term debt are as follows:

Year ending December 31:

|            |                            |
|------------|----------------------------|
| 2026       | \$ 11,816                  |
| 2027       | 9,162,145                  |
| 2028       | 12,483                     |
| 2029       | 12,830                     |
| 2030       | 13,322                     |
| Thereafter | <u>398,927</u>             |
| Totals     | <u><u>\$ 9,611,523</u></u> |

Interest expense amounted to \$293,882 and \$12,774 for 2025 and 2024, respectively.

NOTE 8 - LEASES:

The Organization leases office space for \$4,500 per month under a one-year lease that expires in March 2026. This is an operating lease and lease expense for this facility was \$49,500 for both 2025 and 2024.

The Organization recognizes and measures its leases in accordance with FASB ASC 842 Leases. The Organization is a lessee in a noncancelable operating lease for office space. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses its incremental borrowing rate. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments).

The Organization has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

There were no operating lease ROU assets or operating lease liabilities at December 31, 2025 or 2024.