

Legado, Inc.

Financial Report
December 31, 2025

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Independent Auditor's Report

Board of Directors
Legado, Inc.

Opinion

We have audited the financial statements of Legado, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2025, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

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 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 the Organization'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 the Organization'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.

Haley & Woods, LLP

Birmingham, Alabama
May 20, 2026

Legado, Inc.

Statement of Financial Position
December 31, 2025

Assets

Cash	\$ 1,538,731
Contributions receivable, net	740,953
Other receivables	31,646
Prepaid expenses	<u>23,979</u>
Total assets	<u>\$ 2,335,309</u>

Liabilities and Net Assets

Accounts payable	\$ 44,438
Accrued payroll and payroll expenses	<u>39,770</u>
Total liabilities	<u>84,208</u>

Net assets:

Without donor restrictions	2,126,205
With donor restrictions	<u>124,896</u>
	<u>2,251,101</u>

Total liabilities and net assets	<u>\$ 2,335,309</u>
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See notes to financial statements.

Legado, Inc.

Statement of Activities
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support, and gains:			
Contributions and grants	\$ 2,503,034	\$ 125,293	\$ 2,628,327
Interest income	29,539	-	29,539
Other income	5,876	-	5,876
In-kind contributions	4,800	-	4,800
	<u>2,543,249</u>	<u>125,293</u>	<u>2,668,542</u>
Net assets released from restrictions	493,517	(493,517)	-
	<u>3,036,766</u>	<u>(368,224)</u>	<u>2,668,542</u>
Expenses:			
Program services	1,584,837	-	1,584,837
Supporting services:			
General and administrative	89,232	-	89,232
Fundraising	175,824	-	175,824
	<u>1,849,893</u>	<u>-</u>	<u>1,849,893</u>
Change in net assets	1,186,873	(368,224)	818,649
Net assets:			
Beginning of year	<u>939,332</u>	<u>493,120</u>	<u>1,432,452</u>
End of year	<u>\$ 2,126,205</u>	<u>\$ 124,896</u>	<u>\$ 2,251,101</u>

See notes to financial statements.

Legado, Inc.

Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Salaries, benefits and payroll taxes	\$ 560,233	\$ 62,228	\$ 88,511	\$ 710,972
Contractors	518,955	21,082	69,969	610,006
Contract labor - local field team	150,796	-	-	150,796
Travel	78,980	120	6,889	85,989
Subgrants	73,729	-	-	73,729
Program activities	67,378	365	222	67,965
Professional fees	32,432	2,507	4,493	39,432
Field and office supplies	33,749	796	1,501	36,046
Communications	30,141	732	1,660	32,533
Media support	20,168	-	-	20,168
Business fees	7,269	686	1,230	9,185
Insurance	4,958	376	764	6,098
Office rent	4,134	242	424	4,800
Bank fees	1,915	98	36	2,049
Fundraising costs	-	-	125	125
Total expenses	\$ 1,584,837	\$ 89,232	\$ 175,824	\$ 1,849,893

See notes to financial statements.

Legado, Inc.

Statement of Cash Flows
Year Ended December 31, 2025

Cash flows from operating activities:	
Change in net assets	\$ 818,649
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Discount on pledges receivable	19,568
Changes in assets and liabilities:	
Pledges receivable	(634,981)
Other receivable	(10,962)
Prepaid expenses	(4,258)
Accounts payable	2,762
Accrued payroll and payroll expenses	(7,848)
Net cash provided by operating activities	<u>182,930</u>
Net increase in cash	182,930
Cash:	
Beginning of year	<u>1,355,801</u>
End of year	<u>\$ 1,538,731</u>

See notes to financial statements.

Legado, Inc.

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Nature of Organization: Legado, Inc. (Organization) is a nonprofit corporation organized under the laws of the State of Delaware. The Organization's mission is to help secure Thriving Futures for both people and the places they call home. The Organization's vision is to see a world in which individual choices lead to a collective legacy of Thriving People on a Thriving Planet.

Cash, cash equivalents and restricted cash: The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The Organization had \$710,458 in cash equivalents as of December 31, 2025.

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

Contributions receivable: Contributions receivable or unconditional promises to give are recognized as revenue in the period received and are recorded at their discounted net present value less an estimate made for uncollectible contributions. Management determines the allowance for uncollectible contributions by identifying troubled contributions and by using historical experience. Contributions receivable are written off when deemed uncollectible. Recoveries of contributions receivable previously written off are recorded when received. Management believes that all of the contributions receivable included in the accompanying statement of financial position are collectible and no allowance for uncollectible contributions has been recorded as of December 31, 2025.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and revenue recognition: The Organization is supported through corporate, foundation and individual contributions and grants. Contributions and grants are recognized when the donor or grantee makes a gift or a promise to give or grant to the Organization that is, in substance, unconditional. 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. All public support and revenue are considered to be available for program or supporting services unless specifically restricted by the donor.

In-kind contributions: In-kind contributions include donated office space which is recorded at the fair value (Note 5). Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the fair value of the services received. No significant contributions of such goods or services were received during the year ended December 31, 2025.

Legado, Inc.

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries, benefits and payroll taxes and office rent, which are allocated on the basis of estimates of time and effort. All other expenses are either direct charges to program, general and administrative, or fundraising.

Income taxes: The Organization is organized as a Delaware non-stock non-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to the Organization's exempt purposes. The Organization has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires us 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.

Subsequent events: Subsequent events have been evaluated through May 20, 2026, which is the date the financial statements were available for issuance.

Note 2. Liquidity

As of December 31, 2025, the Organization had financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, as follows:

Cash	\$ 1,538,731
Contributions receivable, net	740,953
Other receivables	31,646
	<hr/>
	2,311,330
Less those with donor restrictions	(124,896)
	<hr/>
	\$ 2,186,434

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, operating revenue generated throughout the year is budgeted to cover general operating expenditures.

Legado, Inc.

Notes to Financial Statements

Note 3. Contributions Receivable

Unconditional contributions receivable are estimated to be collected as follows at December 31, 2025:

Contributions to be collected:	
Within one year	\$ 384,981
In one to five years	380,000
	<u>764,981</u>
Less discount to net present value (6.75% discount rate)	(24,028)
	<u>\$ 740,953</u>

At December 31, 2025, five donors accounted for 100% of total contributions receivable.

Note 4. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31, 2025:

Kenya project	\$ 106,911
Full Spectrum Coalition project	14,985
Ngilai project	3,000
	<u>\$ 124,896</u>

Net assets released from restriction were as follows during the year ended December 31, 2025:

Purpose restrictions accomplished:	
Namuli project	\$ 268,143
Kenya project	143,066
Indonesia project	30,000
Thriving Futures Model	23,293
Full Spectrum Coalition project	19,015
Machiguenga project	5,000
Kalahari Research and Conservation project	5,000
	<u>\$ 493,517</u>

Note 5. In-kind Contributions

The Organization was provided office space at no charge. The fair value of this donated space is \$400 per month. The related rent expense was \$4,800 for the year ended December 31, 2025. The donated office space was used in program services, general and administrative services, and fundraising and valued at the fair value of similar properties available in commercial real estate listings. There were no donor-imposed restrictions associated with the donated office space.