Children's Center for Hope and Healing, Inc.

Gainesville, Georgia

Financial Statement

December 31, 2025 and 2024

Children's Center for Hope and Healing, Inc.

Gainesville, Georgia

Financial Statements

December 31, 2025 and 2024

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WILSON LEWIS
ATTESTATION SERVICES, LLP

ALEXANDER ALMAND & BANGS, LLP

Board of Directors
Children's Center for Hope and Healing, Inc.
Gainesville, Georgia

Opinion

We have audited the accompanying financial statements of Children's Center for Hope and Healing, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and net assets, functional expenses, and cash flows for the years 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 Children's Center for Hope and Healing, Inc. as of December 31, 2025 and 2024, and the 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 (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 Children's Center for Hope and Healing, Inc. 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the Organization has restated its previously issued financial statements for the year ended December 31, 2024 to correct an error resulting from the failure to recognize and measure its lease arrangements in accordance with Accounting Standards Codification (ASC) 842, *Leases*. The restatement resulted in adjustments to right-of-use assets, lease liabilities, net assets, and related expenses and disclosures. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date 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 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.

Wilson Lewis

Wilson Lewis Attestation Services, LLP
Gainesville, Georgia
August 25, 2026

Children's Center for Hope and Healing, Inc.

Statements of Financial Position

As of December 31, 2025 and 2024

	2025	Restated 2024
Assets		
Current Assets		
Cash and cash equivalents	$ 322,057	$ 279,441
Grants receivable	53,760	116,735
Contributions receivable	-	18,767
Prepaid expenses	7,464	-
Total current assets	383,281	414,943
Property, plant, and equipment, net	18,073	2,016
Investments held at a Community Foundation	11,156	9,474
Right-of-use assets, operating leases, net	110,806	164,203
Total assets	$ 523,316	$ 590,636
Liabilities and net assets		
Liabilities		
Current liabilities		
Accounts payable	2,923	3,384
Operating lease liabilities, current	54,253	53,395
Total current liabilities	57,176	56,779
Operating lease liabilities, noncurrent	72,820	127,198
Total liabilities	129,996	183,977
Net assets		
Net assets with donor restrictions	9,648	19,787
Net assets without donor restrictions	383,672	386,872
Net assets	393,320	406,659
Total liabilities and net assets	$ 523,316	$ 590,636

See accompanying notes and independent auditor's report.

Children's Center for Hope and Healing, Inc.

Statements of Activities and Net Assets

For the years ended December 31, 2025 and 2024

	Without Donor Restrictions 2025	With Donor Restrictions 2025	2025	Restated 2024
Support and revenues:				
Gifts and grants:				
Contribution revenue	$ 153,530	$ -	$ 153,530	$ 157,078
Grants revenue	414,934	107,512	522,446	567,403
In-kind donation revenue	79,420	-	79,420	103,674
Total gifts and grants	647,884	107,512	755,396	828,155
Other revenue:				
Special events revenue	4,900	-	4,900	67,868
Net assets released from restriction	117,651	(117,651)	-	-
Total support and revenues	770,435	(10,139)	760,296	896,023
Expenses:				
Program services	591,658	-	591,658	571,290
Supporting services:				
Management and general	154,911	-	154,911	156,789
Fundraising	31,020	-	31,020	57,201
Total expenses	777,589	-	777,589	785,280
Nonoperating activities:				
Investment return, net	3,954	-	3,954	2,875
Changes in net assets	(3,200)	(10,139)	(13,339)	113,618
Net assets at beginning of year	386,872	19,787	406,659	293,041
Net assets at end of year	$ 383,672	$ 9,648	$ 393,320	$ 406,659

See accompanying notes and independent auditor's report.

Children's Center for Hope and Healing, Inc.

Statements of Functional Expenses

For the years ended December 31, 2025 and 2024

	Program 2025	Management and General 2025	Fundraising 2025	2025
Depreciation and amortization	$ -	$ 2,198	$ -	$ 2,198
Dues and subscriptions	-	5,030	-	5,030
Food - snacks	887	-	-	887
Insurance	12,719	1,413	-	14,132
Lease expense - operating leases	38,938	16,687	-	55,625
Lease expense - short-term	1,365	585	-	1,950
Postage	1,500	644	-	2,144
Professional fees and services	79,420	27,923	-	107,343
Program supplies	55,084	-	-	55,084
Public relations - advertising and promotion	-	1,348	12,135	13,483
Repairs and maintenance	-	1,025	-	1,025
Salaries, wages and related expenses	382,588	93,583	18,885	495,056
Training - staff and board development	5,477	-	-	5,477
Travel, meals and entertainment	3,237	-	-	3,237
Utilities	10,443	4,475	-	14,918
Total expenses	$ 591,658	$ 154,911	$ 31,020	$ 777,589

See accompanying notes and independent auditor's report.

Children's Center for Hope and Healing, Inc.

Statements of Functional Expenses

For the years ended December 31, 2025 and 2024

	Restated Program 2024	Restated Management and General 2024	Restated Fundraising 2024	Restated 2024
Depreciation and amortization	$ -	$ 1,670	$ -	$ 1,670
Dues and subscriptions	-	4,014	-	4,014
Insurance	13,597	1,511	-	15,108
Lease expense - operating leases	38,937	16,688	-	55,625
Lease expense - short-term	175	-	-	175
Postage	554	1,292	-	1,846
Printing and publication	-	1,855	5,566	7,421
Professional fees and services	95,900	34,636	-	130,536
Program supplies	40,982	-	-	40,982
Public relations - advertising and promotion	14,221	3,061	13,330	30,612
Repairs and maintenance	-	1,225	-	1,225
Salaries, wages and related expenses	354,325	86,187	38,305	478,817
Training - staff and board development	795	-	-	795
Travel, meals and entertainment	955	-	-	955
Utilities	10,849	4,650	-	15,499
Total expenses	$ 571,290	$ 156,789	$ 57,201	$ 785,280

See accompanying notes and independent auditor's report.

Children's Center for Hope and Healing, Inc.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

	2025	Restated 2024
Cash flows from operating activities		
Change in net assets	$ (13,339)	$ 113,618
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	2,198	1,670
Lease expense - operating	(123)	5,200
Net realized and unrealized (gain) loss	(1,682)	(1,127)
(Increase) decrease in operating assets:		
Grants receivable	62,975	(49,280)
Contributions receivable	18,767	96
Prepaid expenses	(7,464)	490
Increase (decrease) in operating liabilities:		
Accounts payable	(461)	1,702
Total adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	74,210	(41,249)
Net cash provided by operating activities	60,871	72,369
Cash flows from investing activities		
Purchase of property, plant, and equipment	(18,255)	(1,164)
Cash flows from financing activities		
Redemption of investments held at a Community Foundation	-	5,000
Net cash provided by financing activities	-	5,000
Net increase in cash and cash equivalents	42,616	76,205
Cash and cash equivalents, at beginning of year	279,441	203,236
Cash and cash equivalents, at end of year	$ 322,057	$ 279,441

See accompanying notes and independent auditor's report.

1. Summary of Significant Accounting Policies

a. Nature of Organization

Children's Center for Hope and Healing, Inc. (the "Organization") is a not-for-profit organization incorporated in 1984 to provide services and support to individuals and families affected by sexual abuse. The Organization is part of a limited number of agencies that offer counseling service to adults and children who are survivors of sexual abuse.

The Organization achieves its mission by providing no-cost therapy through four distinctive programs: Victim Services, Project Pathfinder, Adult Services, and Prevention Services. These programs provide treatment across 13 counties in Northeast Georgia with an impact to approximately 650 families. The services are delivered through locations in Gainesville, Cumming, and Habersham. The Habersham location closed in June 2026.

b. Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

c. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. A significant area involving the use of estimates and assumptions is the valuation of leases and the fair market value of non-cash donations.

d. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2025 and 2024, cash equivalents consisted of a money market account.

The Organization maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000 for each institution. The Organization’s cash balances at times exceeded federally insured limits. The Organization has not experienced any losses and does not believe it is exposed to any significant credit risk on cash.

1. Summary of Significant Accounting Policies (Continued)

e. Grants Receivable

Grants receivable include revenues that have been recognized, but not yet received and are carried at the fair value the Organization expects to receive. All grants receivable are considered current and fully collectible at year end, therefore no allowance has been calculated.

f. Contributions Receivable

Unconditional written promises to give (contributions) are recognized as an asset and contribution revenue in the period received. Promises to give are recorded at net realizable value and are discounted at an appropriate rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. All contributions receivables were considered collectible at year end and therefore, no allowance for uncollectible promises to give is estimated by the Organization. Conditional promises to give are recognized when the conditions on which they depend, which consist of both a barrier and a right of return or release, are met.

g. Investments

Investments are reported at fair value. Adjustments to reflect increases or decreases in fair value, referred to as unrealized gains and losses, are reported in the statement of activities and net assets.

Gains and losses on the sale of investments are determined using the specific identification method. Realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations or law. Dividend and interest income are accrued as earned.

h. Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost. Expenditures for additions, improvements, and other enhancements to property, plant, and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property, plant, and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in results of operations.

1. Summary of Significant Accounting Policies (Continued)

h. Property, Plant, and Equipment (Continued)

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. Property, plant, and equipment is depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. The estimated useful lives for each major depreciable classification of property, plant, and equipment are as follows: computer and equipment: 5 years, and leasehold improvements: the shorter of their estimated useful lives, generally 7 - 15 years, or the applicable lease term, including renewal periods when renewal is reasonably assured. The Organization's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the Organization's assets. The Organization periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets.

The Organization reports gifts of property, plant, and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

i. Leasehold Improvements

Leasehold improvements are recorded as components of property, plant, and equipment. The cost of leasehold improvements is charged to earnings using the straight-line method over the shorter of (i) the remaining lease term or (ii) the estimated useful lives of the improvements. The Organization considers renewal terms that are deemed reasonably assured when estimating remaining lease terms.

j. Leases

Leases

The Organization determines if an arrangement is a lease at inception. The Organization uses the following primary accounting provisions to classify transactions as financing or operating leases. Leases meeting any of these conditions are accounted for as financing leases, those that meet none, as operating leases:

1. Summary of Significant Accounting Policies (Continued)

j. Leases (Continued)

1. Review of the lease term to determine if it's for a major part of the economic life of the underlying asset.
2. Review of the present value of the lease payments to determine if they are equal to, or greater than, substantially all of the fair market value of the underlying asset at the inception of the lease.
3. Review of the lease agreement to determine if there is an option to purchase the underlying asset that the Organization is reasonably certain to exercise, or, if the ownership of the underlying asset transfers to the Organization at the end of the lease term.
4. Review of the underlying asset to determine if it is highly specialized or would have no alternative use to the lessor after the lease term.

Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Variable lease payments represent expenses incurred for the lease because of changes in facts or circumstances occurring after the commencement date.

Lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. ROU assets are recorded starting with lease liability amount and include adjustments as required under the standard. ROU assets are amortized over the lease term. Amortization of the ROU assets are recorded as lease expense under operating leases and as amortization expenses under financing leases. Lease payments under operating leases are recognized as expenses on a straight-line basis over the lease term. Interest expense included in lease payments under financing leases is recognized as expenses when incurred. Variable lease costs not included in the calculation of the ROU asset and lease liability at the commencement date are recognized as expenses when incurred.

The Organization has elected, by class of underlying asset, to not separate non-lease components from lease components and instead, to account for each separate lease component and the non-lease component(s) as a single lease component. This election applies to all of the Organization's leases.

1. Summary of Significant Accounting Policies (Continued)

j. Leases (Continued)

The Organization elects to use the risk-free discount rate for all leases that don't already have an explicit or implicit rate included in the lease, and to use this rate instead of the Organization's incremental borrowing rate. The risk-free rate is determined using a comparable period with that of the lease term and is elected by class of underlying assets. The Organization is applying this policy to all of its leases.

The Organization has elected for short-term leases, defined as leases with a term of twelve months or less, to recognize the lease payments in profit or loss on a straight-line basis over the lease term and associated variable lease payments (if any) in the period in which the obligation for those payments is incurred. This policy election is made by class of underlying asset to which the right of use relates. The Organization has a short term lease for office space.

Costs incurred to bring a leased asset to the condition and location necessary for its intended use are expensed as incurred.

Where the Organization is leasing a portion of a larger asset, the Organization estimates the fair value of the portion of the underlying asset being leased when applying the lease classification criteria.

As a practical expedient, the Organization elects to use the written terms and conditions of their related party arrangement between entities under common control to determine whether that arrangement is or contains a lease and shall classify and account for that lease on the basis of those written terms and conditions. In the absence of a legally enforceable lease agreement between the related party lessor and the Organization, the Organization has adopted the terms of their debt guarantee for the mortgaged office space incurred by the related party lessor, as the terms of their lease agreement to occupy that space.

The Organization elects to amortize leasehold improvements associated with a lease between entities under common control over the economic life of those improvements as long as the Organization controls the use of the underlying asset throughout the lease.

1. Summary of Significant Accounting Policies (Continued)

k. Net Assets

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

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors (the Board). Net assets without donor restrictions include net assets designated by the board for specific purposes.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. All net assets restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

l. Revenue Recognition

Contracts with Customers

The Organization recognizes revenue when goods or services promised are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services by following a five-step process: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as the Organization satisfies a performance obligation, as further described below. Revenue subject to variability is constrained to an amount which will not result in a significant reversal in future periods when the contingency that creates variability is resolved.

1. Summary of Significant Accounting Policies (Continued)

l. Revenue Recognition (Continued)

Revenue Recognition Process

Identify the Contract with a Customer

The Organization generally considers a purchase order as a customer contract provided that collection is considered probable, which is assessed based on clearing of the customer's payment at the point of sale. The Organization combines contracts with a customer if contracts are negotiated with a single commercial substance or contain price dependencies.

Identify the Performance Obligations in the Contract

Product performance obligations include of products purchased and service performance obligations include commencement of conference events.

Determine the Transaction Price

The transaction price for the Organization’s contracts with its customers consists of fixed and variable considerations provided it is probable that a significant reversal of revenue will not occur when the uncertainty related to variable consideration is resolved. Fixed consideration includes amounts to be contractually billed to the customer while variable consideration includes estimates for rights of return, and discounts, which are based on historical sales returns and other factors known at the time. The Organization generally invoices customers for products at time of delivery, and professional services either upfront or upon meeting certain milestones. Customer invoices are generally due within at the point of sale for goods sold, on or before conference start dates for conferences days. The Organization’s contracts with customers typically do not include significant financing components as the period between the transfer of performance obligations and timing of payment are generally within one year.

There were no constraints on variable estimate considerations or any obligations for returns or refunds for the years ended December 31, 2025 and 2024.

1. Summary of Significant Accounting Policies (Continued)

l. Revenue Recognition (Continued)

Allocate the Transaction Price to the Performance Obligations in the Contract

For contracts that contain multiple performance obligations, the Organization allocates the transaction price to the performance obligations on a relative standalone selling price basis. Standalone selling prices are based on multiple factors including, but not limited to, historical discounting trends for products and services, pricing practices in different geographies and through different sales channels, gross margin objectives, internal costs, competitor pricing strategies, and industry technology lifecycles.

Recognize Revenue when or as the Organization Satisfies a Performance Obligation

Revenue from sales is recognized at a point in time, which is generally upon shipment or delivery.

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and net assets as net assets released from restrictions.

Grants - Grants are deemed to be nonexchange (nonreciprocal) transactions and fall under the contribution accounting guidance. Under this guidance, revenue related to conditional grants and contracts is recorded when the conditions are met. Most grants are on a cost reimbursement basis and require the Organization to incur eligible expenses prior to the release of funds.

The Organization applies the practical expedient as allowed for within the accounting standards and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less.

1. Summary of Significant Accounting Policies (Continued)

l. Revenue Recognition (Continued)

Contributed Nonfinancial Assets - Contributed nonfinancial assets are recorded at fair value at the date of donation. Contributions of services are reported as revenue only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills.

m. Functional Allocation of Expenses

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statement of activities and net assets. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of program services and supporting activities. The expenses, allocated on the basis of estimated time and effort, include salaries, certain utilities, training and repairs. Because the main purpose of the Organization is accomplished through program services, a greater percentage of overall expenditures are allocated to programs. Management and general include expenditures that are not directly identifiable to a specific program or special event activity. Special event expenses are those expenditures directly associated with an activity as well as some personnel and other direct costs to carry out the activity.

n. Special Events

Fundraising events revenue represents a reciprocal transaction equal to the cost of direct benefits to donors with the remainder representing contribution revenue. During the years ended December 31, 2025 and 2024, the Organization incurred fundraising expenses that directly benefited donors in the amount of $1,900 and $14,220, respectively. These direct expenses have been included in the statement of functional expenses according to their natural classification in the statement of activities and net assets.

o. Public Relations - Advertising and Promotion Costs

Advertising costs are expensed as incurred. Advertising expense was $13,483 and $30,612 in 2025 and 2024, respectively.

1. Summary of Significant Accounting Policies (Continued)

p. Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status, identify and report unrelated business income, and determine its filing and tax obligations in jurisdictions for which it has nexus. As of December 31, 2025 and 2024, the Organization believes that it has not generated any unrelated business taxable income.

The Organization recognizes the tax benefit from an uncertain tax position only if it is “more likely than not” that the tax position would be sustained on examination by the taxing authorities, based upon the technical merits of the position. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon examination. Interest and penalties related to unrecognized tax benefits are classified as income tax expense.

Generally, the Organization is subject to U.S. federal, state, and local or non-U.S. income tax examinations for three years after income tax returns are filed.

q. Fair Value Measurements

The Organization measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

1. Summary of Significant Accounting Policies (Continued)

q. Fair Value Measurements (Continued)

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the Organization has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Organization does not adjust the quoted price for such instruments.

- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

- **Level 3:** Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Organization must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Organization maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

1. Summary of Significant Accounting Policies (Continued)

q. Fair Value Measurements (Continued)

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

r. Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on the change in net assets.

2. Liquidity and Availability of Resources

The Organization's financial assets available for general use at December 31, consist of the following:

	2025	2024
Financial assets available:		
Cash and cash equivalents	$ 322,057	$ 279,441
Grants receivable	53,760	116,735
Contributions receivable	-	18,767
Prepaid expenses	7,464	-
Total financial assets available	383,281	414,943
Less:		
Net assets with donor restrictions	(9,648)	(19,787)
Financial assets available to meet general expenditures within one year	$ 373,633	$ 395,156

The Organization's working capital and cash flows fluctuate during the year due to the timing of cash receipts and major contributions. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization invests cash in alignment with the Organization's investment policy. In the event of an unanticipated liquidity need, the Organization could draw funds from the North Georgia Community Foundation investment account.

3. Investments Held by a Community Foundation

The Organization adheres to generally accepted accounting principles which establish standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investments of those assets, or both, to another entity that is specified by the donor. These standards specifically require that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the not-for-profit organization must show the assets as an investment. In contrast, transfers from donors directly to the community foundation benefitting the organization are not reflected as assets to the organization. The Organization has established a community foundation fund with its own funds and with itself as the beneficiary with the North Georgia Community Foundation (NGCF) in Gainesville, Georgia. The Organization has granted variance power to the Community Foundation. This power allows the board to request the return of funds. It also means that, should the Organization dissolve, the board of the Community Foundation would be responsible for placing the funds with a comparable not-for-profit entity. The funds are included on the statements of financial position.

The following table summarizes NGCF activity during the years ended December 31:

	2025	2024
Beginning Balance	$ 9,474	$ 13,347
Investment Income		
Interest and dividend income	1,016	573
Management fees	(107)	(108)
Realized gains	237	410
Unrealized gains	536	252
Net investment income	1,682	1,127
Redemption of investments to cash and cash equivalents	-	(5,000)
End of year balance	$ 11,156	$ 9,474

4. Fair Value Measurement

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following is a description of the valuation methodologies and inputs used for assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis.

4. Fair Value Measurement (Continued)

Debt Securities

Debt securities include U.S. Treasury notes and other fixed income securities. Whenever available, the Organization obtains quoted prices in active markets for identical assets at the statements of financial position date to measure debt securities for fair value. Market price data is generally obtained from dealer markets.

Equity Securities

Whenever available, the Organization obtains quoted prices in active markets for identical assets as statements of financial position date to measure equity securities with readily determinable fair value. Market price data is generally obtained from exchange or dealer markets.

The following is a breakdown of the investments as of December 31, 2025:

		Quoted Prices in Active Markets for Identical Assets (Level 1)
Fixed income debt securities	$	7,251
Equity securities		3,905
Total	$	11,156

4. Fair Value Measurement (Continued)

The following is a breakdown of the investments as of December 31, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)
Fixed income debt securities	$ 6,158
Equity securities	3,316
Total	$ 9,474

5. Grants Receivable

Grants receivable consisted of the following as of December 31:

	2025	2024
American Rescue Plan Act Grant	$ -	$ 35,883
Forsyth County Board of Education	-	7,870
Forsyth County Grant	3,398	-
Promoting Safe and Stable Families Grant	23,299	50,612
Sexual Assault Services Program Grant	6,773	10,488
United Way	6,654	-
Victims of Crime Act Grant	13,636	11,882
Total	$ 53,760	$ 116,735

6. Property, Plant, and Equipment

The historical costs of the Organization's property, plant, and equipment and related accumulated depreciation balances at December 31 were as follows:

	2025	2024
Computer and equipment	$ 32,565	$ 21,746
Leasehold improvements	1,505	1,505
Property, plant, and equipment, gross	34,070	23,251
Less accumulated depreciation	(15,997)	(21,235)
Property, plant, and equipment, net	$ 18,073	$ 2,016

Depreciation expense related to property, plant, and equipment was $2,198 and $1,670 for the years ended December 31, 2025 and 2024, respectively.

7. Leases

The Organization leases office space in Gainesville, Georgia, pursuant to an original lease agreement dated August 31,2009. Upon each renewal, an amendment was executed to extend the agreement at new lease rates. In October 2024, the sixth amendment to the lease was executed which expires December 31, 2027, at a monthly rate of $3,200 per month beginning January 1, 2025.

The Organization also leases office space in Cumming, Georgia, pursuant to an original lease agreement dated January 20, 2012. Upon each renewal an amendment was executed to extend the agreement at new lease rates. In November 2024, the seventh amendment to the lease was executed which expires January 31, 2028, at a monthly rate of $1,450.

The two leases do not contain any variable lease payment requirements, material residual value guarantees, or material restrictive covenants. The renewal options were taken into consideration for the calculation of the right of use assets and liabilities upon the restatement of the 2024 financial statements. See Note 12.

The Organization has a short-term office lease in Habersham, Georgia, which began in November 2024. The lease expired in November 2025 and was renewed through May 31, 2026. The lease cost is included in short-term lease cost.

7. Leases (Continued)

Components of lease expense were as follows for the years ended December 31:

	2025	Restated 2024
Operating lease cost	$ 55,625	$ 55,625
Short-term lease cost	1,950	175
Total lease cost	$ 57,575	$ 55,800

Information regarding lease terms and discount rates as of December 31 is as follows:

	2025	Restated 2024
Weighted-average remaining lease term (years):		
Operating leases	2.0	3.0
Weighted-average discount rate (%):		
Operating leases	1.6	1.6

Supplemental cash flow information related to leases is as follows for the years ended December 31:

	2025	Restated 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (55,750)	$ (50,450)

	2025	Restated 2024
Operating leases:		
Operating lease ROU assets	$ 110,806	$ 164,203
Operating lease liabilities - current	54,253	53,395
Operating lease liabilities - noncurrent	72,820	127,198
Total operating lease liabilities	$ 127,073	$ 180,593

7. Leases (Continued)

Maturities of lease liabilities are as follows as of December 31, 2025:

Year	Operating Leases
2026	$ 55,625
2027	55,625
2028	1,433
Total lease payments	112,683
Add imputed interest	14,390
Total lease liabilities	$ 127,073

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31:

	2025	2024
Subject to expenditures for specified purpose:		
Art supplies and books	$ 220	$ -
Client services	6,654	18,767
Snacks	2,774	1,020
Total net assets with donor restrictions	$ 9,648	$ 19,787

The sources of net assets released from restrictions are as follows for the years ended December 31:

	2025	2024
Art supplies and books	$ 4,393	$ -
Client services	83,430	129,096
Furniture and furnishings	4,941	-
Snacks	887	-
Technology upgrade	24,000	-
Total net assets released from restrictions	$ 117,651	$ 129,096

9. Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized in the statement of activities and net assets are as follows:

	2025	2024
Graduate Student Counselor hours	$ 79,420	$ 95,900
Professional Services	-	7,774
Total contributed nonfinancial assets	$ 79,420	$ 103,674

The contributed nonfinancial assets the Organization recognized in the statement of activities and net assets did not have donor-imposed restrictions. It is the Organization's policy to report nonfinancial assets as an increase in net assets without donor restrictions, unless donor-imposed restrictions apply. If donor-imposed restrictions apply, donated assets, property and equipment are reported as an increase in net assets relative to the contribution restriction. Donated assets are released from restriction on the statements of activities as net assets released from restriction, with either the passage of time or satisfaction of the donor-imposed conditions.

The graduate student counselor hours include therapy sessions provided by students from various universities in Georgia. The Organization estimated the fair value of all professional services, including the counselor hours, based on the current market rate for similar services. For the years ended December 31, 2025 and 2024, the amounts above represent donated student counseling hours of 3,610 and 4,795, respectively.

10. Related Party Transactions

Contributions received from members of the Board of Directors during the years ended December 31, 2025 and 2024 were $26,334 and $10,380, respectively.

11. Concentrations

Federally funded grants (either directly or indirectly funded), accounted for approximately 27% and 24%, respectively, of the Organization's total support and revenue during the years ended December 31, 2025 and 2024. Receivables related to these revenues were $30,072 and $61,101 for the years ended December 31, 2025 and 2024, respectively.

11. Concentrations (Continued)

For the year ended December 31, 2025, grants were approximately 80% of total support and revenue. Of the total support and revenue, three grantors accounted for 58% of the total support and revenue for the year ended December 31, 2025 and approximately 81% of receivables. For the year ended December 31, 2024, grants were approximately 72% of total support and revenue. Of the total support and revenue, three grantors accounted for 59% of total revenue for the year ended December 31, 2024 and approximately 86% of receivables.

12. Restatement

The Organization has restated its previously issued financial statements for the year ended December 31, 2024 to correct an error related to the Organization's failure to implement the lease accounting requirements of ASC 842, Leases. The Organization had two operating leases for office space for which right-of-use assets and lease liabilities were not recorded in the previously issued financial statements.

The restatement recognizes an operating lease right-of-use asset of $164,203, a current operating lease liability of $53,395 and a noncurrent operating lease liability of $127,198 as of December 31, 2024.

Lease expense was revised to reflect the accounting required under ASC 842, and short-term lease expense that had not previously been presented separately was reflected in the appropriate functional expense classifications. This revision resulted in a revision in the statement of functional expenses from the expense "Occupancy and Utilities" to reflect the following accounts: Utilities, Lease expense - operating leases, and Lease expense - short-term leases. The restatement resulted in an increase to lease expense-operating leases of $5,200.

The cumulative effect of the correction was recorded as an adjustment to opening net assets without donor restrictions as of January 1, 2024 in the amount of $11,190. This correction was the net adjustment of recognizing the right-of-use assets and liabilities upon the required implementation date of ASC 842. The restatement did not affect contributions, net assets released from restrictions, or net assets with donor restrictions.

12. Restatement (Continued)

The effects of the restatement on the previously reported 2024 financial statements are summarized below:

	As Previously Reported	Adjustment	As Restated
Right-of-use assets	$ -	$ 164,203	$ 164,203
Lease liabilities - current	-	53,395	53,395
Lease liabilities - noncurrent	-	127,198	127,198
Net assets without donor restrictions, beginning of year	285,368	(11,190)	274,178
Net assets with donor restrictions, beginning of year	18,863	-	18,863
Net assets total, beginning	304,231	(11,190)	293,041
Net assets without donor restrictions, ending	403,262	(16,390)	386,872
Net assets with donor restrictions, ending	19,787	-	19,787
Net assets, total, ending	423,049	(16,390)	406,659
Change in net assets	118,818	(5,200)	113,618
Lease expense - operating leases	-	55,625	55,625
Lease expense - short-term leases	-	175	175
Occupancy and utilities	65,333	(65,333)	-
Utilities	$ -	$ 15,499	$ 15,499

The accompanying financial statements for the years ended December 31, 2025 and 2024 present the 2024 financial statements as restated. The 2025 financial statements were not affected by the restatement.

13. Date of Management's Review

Management has evaluated subsequent events as of August 25, 2026, the date the financial statements were available for issue. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the issuance of this report that require adjustment to the financial statements or disclosure in the notes to the financial statements.