Financial Statements
December 31, 2025 and 2024

National Children's Advocacy Center

Huntsville, Alabama

Independent Auditor's Report

Board of Directors
National Children's Advocacy Center, Inc.
Huntsville, Alabama

Opinion

We have audited the accompanying financial statements of National Children's Advocacy Center, Inc. (a not-for-profit 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 National Children's Advocacy Center, Inc. as of December 31, 2025 and 2024, and the changes in 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 National Children's Advocacy Center, Inc. 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 opinions.

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 National Children's Advocacy Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 and *Government 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 and *Government 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 purpose of expressing an opinion on the effectiveness of National Children's Advocacy Center, Inc.'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 National Children's Advocacy Center, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2026, on our consideration of National Children's Advocacy Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of National Children's Advocacy Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Children's Advocacy Center, Inc.'s internal control over financial reporting and compliance.

Aldridge, Borden and Company, P.C.

August 18, 2026
Huntsville, Alabama

National Children's Advocacy Center
Huntsville, Alabama
December 31, 2025 and 2024

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Statements of Financial Position

National Children's Advocacy Center
Huntsville, Alabama
As of December 31

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 366,304	$ 681,714
Investments	1,016,447	1,141,882
Accounts receivable	150,295	182,453
Grants receivable	326,361	453,384
Prepaid expenses	214,602	119,603
Total Current Assets	2,074,009	2,579,036
Fixed Assets:		
Land and building	13,939,492	13,939,492
Vehicles	42,511	42,511
Equipment & furnishings	122,084	122,084
Less Accumulated depreciation	(8,428,654)	(7,931,352)
Total Fixed Assets	5,675,433	6,172,735
Other Assets:		
Deposits	2,800	800
Beneficial interest in assets held by others	140,923	119,731
Total Other Assets	143,723	120,531
Total Assets	$ 7,893,165	$ 8,872,302
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$ 79,448	$ 94,376
Accrued salaries and payroll taxes	42,797	215,280
Accrued compensated absences	267,636	234,661
Unearned revenue	187,153	227,361
Total Current Liabilities	577,034	771,678
Total Liabilities	577,034	771,678
Net Assets:		
Without donor restrictions	2,692,214	3,600,287
With donor restrictions	4,623,917	4,500,337
Total Net Assets	7,316,131	8,100,624
Total Liabilities and Net Assets	$ 7,893,165	$ 8,872,302

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

Statements of Activities and Changes in Net Assets

National Children's Advocacy Center
Huntsville, Alabama
For the Years Ended December 31

	2025	2024
Net Assets Without Donor Restrictions		
Revenue and Support		
Public Support		
Contributions	$ 423,919	$ 344,793
Protector's Circle	349,792	400,687
Government fees & grants		
U.S. Department of Justice	2,498,568	3,022,516
U.S. Department of Health & Human Services	293,645	290,709
State of Alabama	82,275	76,250
United Way	40,825	46,075
Children's Trust Fund	229,250	198,624
Other grants	165,038	166,185
Service fees		
Training & technical assistance	978,380	875,131
Symposium registrations	532,985	627,568
Product sales	3,971	10,154
Special events	302,649	111,499
Other income	94,339	104,173
Net assets released from restriction	192,500	130,000
Total Revenue and Support	6,188,136	6,404,364
Expenses		
Program services	5,534,959	6,007,761
Administrative and general	1,367,586	1,314,508
Fundraising	407,723	419,532
Total Expenses	7,310,268	7,741,801
Other Income		
Realized gain (loss) on investments	30,614	(16,933)
Unrealized gain on investments	78,049	19,078
Interest and investment income, net of expenses	105,396	169,046
Total Other Income	214,059	171,191
Change in Net Assets Without Donor Restrictions	(908,073)	(1,166,246)
Net Assets With Donor Restrictions		
Revenue and Support		
Grants	316,080	192,500
Contributions of nonfinancial assets		4,307,837
Net assets released from restriction	(192,500)	(130,000)
Change in Net Assets With Donor Restrications	123,580	4,370,337
Change in Net Assets	(784,493)	3,204,091
Net Assets, Beginning of Year	8,100,624	4,896,533
Net Assets, End of Year	$ 7,316,131	$ 8,100,624

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

Statement of Functional Expenses

National Children's Advocacy Center
Huntsville, Alabama
For the year ended December 31, 2025

	Program Services	Support Services: Administrative and General	Support Services: Fundraising	Total
Accounting services	$ 16,914	$ 3,178	$ 1,150	$ 21,242
Advertising	1,174		2,620	3,794
Bank charges	16,688	1,755	6,629	25,072
Books and publications	50,119	27	117	50,263
Client related expenses	131		2,472	2,603
Depreciation	448,489	31,383	17,430	497,302
Dues and permits	9,175	2,624	447	12,246
Insurance	82,929	19,020	5,639	107,588
Miscellaneous	1,531	3,942	3,973	9,446
Postage	2,148	558	6,903	9,609
Printing	10,829	927	30,694	42,450
Professional services	335,703	177,290	79,977	592,970
Rent	3,707	2,718	7,171	13,596
Repairs and maintenance	40,889	7,820	2,719	51,428
Salaries and related expenses	3,703,737	1,077,182	213,801	4,994,720
Supplies	39,526	10,429	10,723	60,678
Symposium expenses	505,046			505,046
Telephone	48,413	9,948	3,618	61,979
Travel	148,694	5,800	6,940	161,434
Utilities	69,117	12,985	4,700	86,802
Total Expenses	$ 5,534,959	$ 1,367,586	$ 407,723	$ 7,310,268

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

Statement of Functional Expenses

National Children's Advocacy Center
Huntsville, Alabama
For the year ended December 31, 2024

	Program Services	Support Services: Administrative and General	Support Services: Fundraising	Total
Accounting services	$ 14,175	$ 2,662	$ 963	$ 17,800
Advertising	6,044		1,686	7,730
Bank charges	15,186	4,537	5,335	25,058
Books and publications	20,236	1,135	830	22,201
Client related expenses	268		1,198	1,466
Depreciation	413,995	31,383	17,430	462,808
Dues and permits	6,834	2,938	302	10,074
Insurance	86,820	21,663	5,868	114,351
Miscellaneous	31,296	9,840	12,884	54,020
Postage	2,236	2,980	12,073	17,289
Printing	16,706	2,883	38,494	58,083
Professional services	693,267	192,345	41,907	927,519
Rent	7,843	2,397	6,709	16,949
Repairs and maintenance	41,453	6,754	2,182	50,389
Salaries and related expenses	3,823,599	973,760	248,376	5,045,735
Supplies	35,736	28,060	13,794	77,590
Symposium expenses	459,918			459,918
Telephone	49,875	8,507	3,243	61,625
Travel	213,440	9,737	1,582	224,759
Utilities	68,834	12,927	4,676	86,437
Total Expenses	$ 6,007,761	$ 1,314,508	$ 419,532	$ 7,741,801

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

Statements of Cash Flows

National Children's Advocacy Center
Huntsville, Alabama
For the Years Ended December 31

	2025	2024
Cash flows from operating activities		
Change in net assets	$ (784,493)	$ 3,204,091
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	497,302	462,808
Contibutions of nonfinancial assets		(4,307,837)
Unrealized gain on investments	(78,049)	(19,078)
Realized (gain)/loss on investments	(30,614)	16,933
Change in operating assets and liabilities:		
Accounts receivable	32,158	74,701
Grants receivable	127,023	23,927
Prepaid expenses	(94,999)	13,373
Advances		1,600
Deposits	(2,000)	
Accounts payable	(14,928)	(56,951)
Accrued expenses	(139,508)	(52,561)
Unearned revenue	(40,208)	(2,316)
Net cash flow from operating activities	(528,316)	(641,310)
Cash flows from investing activities		
Proceeds from sale of investments	293,863	285,055
Purchase of investments	(80,957)	(401,561)
Net cash flow from investing activities	212,906	(116,506)
Net decrease in cash and cash equivalents	(315,410)	(757,816)
Cash and cash equivalents - beginning of year	681,714	1,439,530
Cash and cash equivalents - end of year	$ 366,304	$ 681,714

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

Notes to Financial Statements

National Children's Advocacy Center, Inc.
Huntsville, Alabama
December 31, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies

Organization
The National Children's Advocacy Center, Inc. (the "Center") is a not-for-profit organization located in Huntsville, Alabama established to break the cycle of child maltreatment by using a multidisciplinary team approach to prevention and intervention services for abused children and their families and by providing training and information for professionals and other members of the community.

Basis of Accounting
Professional standards establish guidelines for external financial reporting by not-for-profit centers and require resources to be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two classes of net assets are:

> *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed stipulations.
>
> *Net assets with donor restrictions* – Consists of permanently and temporarily restricted net assets. Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or the passage of time. Permanently restricted net assets are subject to donor-imposed stipulations that must be maintained permanently by the Center. See Note 7.

Income Taxes
The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The Center uses the accounting guidance for uncertainty in income taxes. Under the standards, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by tax authorities. As of December 31, 2025 and 2024, The Center had no uncertain tax positions that qualify for their recognition or disclosure in the financial statements.

Cash and Cash Equivalents
For the purposes of the statements of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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 reported as an increase in net assets without donor restrictions in the reporting period in which the income is recognized. The investments are in mutual funds.

Receivables
Receivables are granted on an unsecured basis. The Center provides for losses on accounts receivable using the allowance method. Management reviews the receivables on an ongoing basis for delinquent accounts. An account is deemed delinquent after all collection efforts have been exhausted. Grant receivable is comprised of amounts due from grantor agencies. Because historical losses have been insignificant, management deems all receivables to be collectible. Accordingly, no allowance for doubtful accounts is presented in the accompanying financial statements.

Note 1 – Summary of Significant Accounting Policies – Continued

Revenue Recognition

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Center receives majority of its revenue from contributions (i.e. public support), grants, and service fees. Contributions received are recorded as revenue with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions 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. Management has determined that none of the revenues received from these sources qualify as an exchange transaction under the applicable revenue recognition standards.

Grant income does not constitute contracts with customers as the grantors do not receive direct commensurate value. Management has evaluated these grants and determined that they include both a measurable barrier and a right of return or right of release, and therefore these grants are treated as conditional contributions. Revenues are earned as conditions to provide services are met.

Program services fees consist primarily of fees for training, educational programs, conferences, technical assistance, and other services provided by the Center. Revenue is recognized when control of the promised services is transferred to the customer in an amount that reflects the consideration the Center expects to be entitled to receive. The Center generally satisfies its performance obligations and recognizes revenue at a point in time when training, conferences, or other program services are provided. For arrangements in which services are provided over a period of time, revenue is recognized over the period the services are provided. Amounts received in advance of the delivery of services are recorded as unearned revenue until the related performance obligations are satisfied.

Property and Equipment

The Center capitalizes expenditures for land, buildings and equipment at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which are three to seven years for furniture and equipment and twenty-five years for building. The Center capitalizes furniture and equipment with a cost over $10,000.

Expenditures for maintenance and repairs that significantly extend the useful life or increase the productivity of an asset are capitalized. When assets are retired or disposed of, the cost and related accumulated depreciation are removed from the books, and the resulting gain or loss is credited or charged to income.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Restrictions on donated capital assets expire over the estimated life of the asset and depreciation is recognized over the life of the asset.

Note 1 – Summary of Significant Accounting Policies – Continued

Advertising
All advertising costs are expensed as incurred.

Expense Allocation
The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on salaries or square footage depending on the nature of the expense.

Estimates
Preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires use of management's estimates. These estimates require assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unearned Revenue
Professional development seminars, conferences, and fundraisers contain a single delivery element and revenue is recognized at a single point in time when the event occurs. As of December 31, 2025 and 2024, seminars, conferences, and fundraisers collected in advance were $187,153 and $227,361, respectively.

Note 2 – Liquidity

Management operates using budgets to ensure the Center has enough resources from grantors and donors to cover general expenses for the year. Grants are collected on a cost reimbursement basis or drawn down as expenses are anticipated, and the Center maintains adequate cash resources to supplement cash flows as needed.

Financial assets available for general expenditure, that is, without donor restrictions or other designations limiting their use, within one year of the balance sheet date, comprise the following:

	2025	2024
Cash and cash equivalents	$ 366,304	$ 681,714
Investments	1,016,447	1,141,882
Accounts receivable	476,656	635,837
	$ 1,859,407	$ 2,459,433

Donor restricted net assets of $316,080 are available for general expenditures in 2026.

As part of the Center'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. To help unanticipated liquidity needs, the Center has secured a line of credit in the amount of $1,050,000, of which the full amount is available as of December 31, 2025.

At December 31, 2025 and 2024, the Center has funds of $140,923 and $119,731, respectively, invested in the Community Foundation that are available to be used for general expenditures pending approval.

Note 3 – Changes in Fixed Assets

A summary of changes in fixed assets for the year ended December 31, 2025, is as follows:

	Beginning	Additions	Disposals	Ending
Land and Building	$ 13,939,492			$ 13,939,492
Vehicles	42,511			42,511
Equipment and Furnishings	122,084			122,084
Accumulated Depreciation	(7,931,352)	$ (497,302)		(8,428,654)
	$ 6,172,735	$ (497,302)		$ 5,675,433

A summary of changes in fixed assets for the year ended December 31, 2024, is as follows:

	Beginning	Additions	Disposals	Ending
Land and Building	$ 9,631,655	$ 4,307,837		$ 13,939,492
Vehicles	42,511			42,511
Equipment and Furnishings	122,084			122,084
Accumulated Depreciation	(7,468,544)	(462,808)		(7,931,352)
	$ 2,327,706	$ 3,845,029		$ 6,172,735

Depreciation for the years ended December 31, 2025 and 2024 was $497,302 and $462,808.

Note 4 – Beneficial Interest in Assets Held by Others

The Center has a nonprofit agency fund with the Community Foundation of Greater Huntsville. The purpose of the fund is to provide a stable and ongoing means of generating revenue, which will be used to support the mission of the Center. The fund is subject to the variance power of the Community Foundation of Greater Huntsville.

At December 31, 2025 and 2024, the fund had a value of $140,923 and $119,731, respectively, which was reported in the statement of financial position as a beneficial interest in assets held by others. This other asset was included in the level 2 fair value hierarchy described in Note 5. The valuation technique used to measure fair value of this asset was the market approach. Distributions may be made upon request of the Center and Board approval of the Community Foundation.

Note 5 – Investments and Fair Value Measurements

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is 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 dates. A fair value measurement assumes that the transaction to see the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure value.

Investments are carried at fair market value. Fair market value is based on quoted market prices. The investment policy established represents that of a balanced portfolio comprised of two major components: an equity portion and a fixed income portion. The expected role of equity investments is to maximize the long-term growth of the portfolio assets, while the role of fixed income investments is to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of the equity investments.

Note 5 – Investments and Fair Value Measurements (Continued)

The portfolio of investments is managed by an investment broker; however, the performance of the portfolio is monitored by the Finance Committee on a recurring basis.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value in three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities and has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Foundation's own data.)

The following table presents the Center's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2025.

	Level 1	Level 2	Level 3	Total
Investments	$ 1,016,447			$ 1,016,447
Beneficial Interest in Assets Held by Others		$ 140,923		140,923
Totals	$ 1,016,447	$ 140,923		$ 1,157,370

The following table presents the Center's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2024.

	Level 1	Level 2	Level 3	Total
Investments	$ 1,141,882			$ 1,141,882
Beneficial Interest in Assets Held by Others		$ 119,731		119,731
Totals	$ 1,141,882	$ 119,731		$ 1,261,613

The board of directors approved investment of funds with Morgan Stanley during the year. All investments are invested by Morgan Stanley in the name of the Center.

Note 6 – Line of Credit

The Center obtained a $1,050,000 unsecured line of credit with ServisFirst Bank, maturing on November 1, 2026 with a variable interest rate of 7.25%. At December 31, 2025 and 2024, there was no outstanding balance on the line of credit.

Note 7 – Net Assets with Donor Restrictions

Donor restricted net assets consist for the following purposes as of December 31, 2025 and 2024:

	2025	2024
Subject to the passage of time:		
Alpha Foundation	$ 200,000	$ 100,000
City of Madison	30,000	30,000
City of Huntsville	37,500	22,500
Elpis Subaward		40,000
Subject for a specified purpose:		
City of Huntsville	4,307,837	4,307,837
Koda Grant	48,580	
	$ 4,623,917	$ 4,500,337

Releases from Donor Restricted Net Assets for December 31, 2025 and 2024 are as follows:

	2025	2024
Subject to the passage of time:		
Alpha Foundation	$ 100,000	$ 100,000
City of Madison	30,000	30,000
City of Huntsville	22,500	
Elpis Subaward	40,000	
	$ 192,500	$ 130,000

The City of Huntsville donated land and a building to the Center to be used for the use, operation, and maintenance of the Center for educational purposes and other related activities. Failure to meet this provision would result in the land and building reverting to the City of Huntsville.

Note 8 – 401(k) Benefit Plan

Employee's contributions are matched 100% dollar for dollar for the first 5% contributed. Eligibility is based on three months of service for employees over 21 years of age. For the years ended December 31, 2025 and 2024, the Center made 401(k) contributions of $205,781 and $203,611, respectively.

Note 9 – Leases

FASB ASC 842 requires lessors to determine if leases are classified as Sales-Type Leases, Direct Financing Leases, or Operating Leases. The Center has one Operating Lease with the City of Huntsville in effect during 2025 and 2024. On May 1, 2024, the Center signed a three year lease. Details of the lease are as follows:

> Lease for office space payable in monthly installments of $3,750 for three years commencing May 1, 2024 and ending April 30, 2027. The City of Huntsville has the option to renew the agreement for two additional one-year terms. The lease may be terminated with six months written notice by either party.

Note 9 – Leases (Continued)

The future minimum lease payments to be received under the lease as of December 31, 2025 are as follows:

2026	$	45,000
2027		15,000

Lease income under this operating lease is recognized on a straight-line basis over the lease term. Lease income recognized from this lease agreement was $45,000 and $30,000 for 2025 and 2024, respectively.

Note 10 – Economic Dependence

The Center's income depends upon the continuation of grants and contracts from State and local agencies and Federal grants. The Center receives grant revenues from the United States Department of Justice and the Department of Health and Human Services. These funds require that the Center expend federal funds for purposes that will achieve grant-specific objectives. Revenue is recognized as the Center incurs expenditures in compliance with the specific requirements of the grant. The Center is subject to audits from the various funding sources. Expenditures may be considered disallowed and could result in amounts being required to be reimbursed or termination of the program.

Note 11 – Credit Risk Concentration

The Center maintains its cash accounts at several financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures the total cash balances at each financial institution up to $250,000. The uninsured deposits at December 31, 2025 and 2024 were $488 and $747, respectively. A large portion of the risk from uninsured balances was mitigated by using IntraFi Cash Services that allows the Center to work with a single financial institution but still diversify its funds across numerous institutions.

Note 12 – In-Kind Contributions

In-kind contributions are reflected as contributions at their estimated fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Center's in-kind contributions for the years ended December 31, 2025 and 2024 were $0 and $4,307,837, respectively. On May 28, 2024, the City of Huntsville made a contribution of a nonfinancial asset to the Center of the adjacent land and building (the Property) that the Center had been leasing for $1 per year. The total appraisal value of the Property was $4,307,837. If the Center discontinues operations or ceases to use the Property for the operation and maintenance of the Center, the Property will revert to the City of Huntsville. As a result, the appraised value of the Property is included as net assets with donor restrictions on the Statement of Financial Position.

Note 13 – Subsequent Events

The date through which subsequent events have been evaluated is August 18, 2026. The financial statements were available to be issued at that time.

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Principals
Callis C. Blake, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
National Children's Advocacy Center, Inc.
Huntsville, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of National Children's Advocacy Center, Inc. as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise National Children's Advocacy Center, Inc.'s basic financial statements, and have issued our report thereon dated August 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered National Children's Advocacy Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of National Children's Advocacy Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of National Children's Advocacy Center, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether National Children's Advocacy Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldridge, Borden and Company, P.C.

August 18, 2026
Huntsville, Alabama

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
National Children's Advocacy Center, Inc.
Huntsville, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited National Children's Advocacy Center, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of National Children's Advocacy Center, Inc.'s major federal programs for the year ended December 31, 2025. The National Children's Advocacy Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, National Children's Advocacy Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, U*niform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of National Children's Advocacy Center, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of National Children's Advocacy Center, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to National Children's Advocacy Center, Inc.'s federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on National Children's Advocacy Center, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about National Children's Advocacy Center, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 National Children's Advocacy Center, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of National Children's Advocacy Center, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of National Children's Advocacy Center, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aldridge, Borden and Company, P.C.

August 18, 2026
Huntsville, Alabama

Schedule of Expenditures of Federal Awards

National Children's Advocacy Center
Huntsville, Alabama
December 31, 2025

Federal Grantor/ Pass Through Grantor Agency	Program or Cluster Title	Assistance Listing Number	Agency or Pass-Through Grantor's Number	Passed through to Subrecipients	Expenditures
U.S. Department of Justice					
	Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers (CAC)				
	VOCA Training and Technical Assistance for Child Abuse Professionals - Child Abuse Response Enhancement (CARE) Program	16.758		$ 0	$ 882,031
	Southern Regional Children's Advocacy Center	16.758		0	1,020,751
Passed through National Children's Alliance					
	Provision of Core Direct CAC Services	16.758	HUNT-AL-CORE25	0	60,000
Total Improving the Investigation and Prosecution of Child Abuse and the Regional and Local CAC				0	1,962,782
Passed through the Alabama Department of Economic and Community Affairs					
	Crime Victim Assistance - Discretionary	16.575	2025-VA-CA-14	0	377,817
	Crime Victim Assistance - Discretionary	16.575	2026-VA-CA-12	0	121,749
Total Passed through the Alabama Department of Economic and Community Affairs				0	499,566
Passed through JBS International, Inc.					
	2022 OVC FY 2022 Protecting Futures: Building Capacity to Service Children and Youth Impacted by America's Drug Crisis	16.838	)913-DOJOVCPF-NCA	0	20,734
Total Passed through JBS International, Inc,				0	20,734
Passed through Fox Valley Technical College					
	FY25 Missing and Exploited Children Training and Technical Assistance Progran	16.543	GRTD2025005015	0	4,843
Total Passed through Fox Valley Technical College				0	4,843
Passed through University of Alabama					
	FY24 Supporting Effective Interventions for Youth with Problematic or Illegal Sexual Behavior Program	16.543	A25-0058-5001	0	10,643
Total Passed through University of Alabama				0	10,643
Total U.S. Department of Justice				0	2,498,568
U.S. Department of Health and Human Services					
Passed through the Alabama Department of Human Resources					
	Healthy Families	93.556	4080	0	293,645
Total U.S. Department of Health and Human Services				0	293,645
Total Federal Financial Assistance				$ 0	$ 2,792,213

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to Schedule of Expenditures of Federal Awards

National Children's Advocacy Center
Huntsville, Alabama
For the Year Ended December 31, 2025

Note 1 – Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the National Children's Advocacy Center, Inc. (the "Center") under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, activities, or cash flows of the Center.

Note 2 – Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. This method is consistent with the preparation of the Center's financial statements.

Note 3 – Indirect Cost Rates

The Center has elected not to use the 15% de minimis indirect cost rate allowed under Uniform Guidance.

Schedule of Findings and Questioned Costs

National Children's Advocacy Center
Huntsville, Alabama
For the Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	**UNMODIFIED**	
Internal control over financial reporting:		
Material weakness(es) identified?	☐ Yes	☒ No
Significant deficiencies identified not considered to be material weaknesses?	☐ Yes	☒ None reported
Noncompliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	☐ Yes	☒ No
Significant deficiencies identified not considered to be material weaknesses?	☐ Yes	☒ None reported
Type of auditor's report issued on compliance for major programs:	**UNMODIFIED**	
Audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR Part 200.516(a)?	☐ Yes	☒ No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
16.758	Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers.

Dollar threshold used to distinguish between Type A and Type B programs:	**$ 1,000,000**	
Auditee qualified as low-risk auditee?	☒ Yes	☐ No

Schedule of Findings and Questioned Costs (Continued)

National Children's Advocacy Center, Inc.
Huntsville, Alabama
For the Year Ended December 31, 2025

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Uniform Guidance.

No matters were reported.