THE ASSOCIATION FOR CLINICAL PASTORAL EDUCATION, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Warren Averett
CPAs AND ADVISORS
www.warrenaverett.com

The report accompanying this deliverable was issued by Warren Averett, LLC.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
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Warren Averett
CPAs AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Association for
Clinical Pastoral Education, Inc.
and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of The Association for Clinical Pastoral Education, Inc. and Subsidiary (the Association), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 audits, significant audit findings and certain internal control related matters that we identified during the audits.

Warren Averett, LLC

Atlanta, Georgia
October 19, 2026

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 1,328,054	$ 1,614,537
Investments	7,543,798	6,755,261
Accounts receivable, net	375,465	353,596
Prepaid expenses and other current assets	159,728	92,438
Total current assets	9,407,045	8,815,832
OTHER ASSETS		
Property and equipment, net	44,998	41,619
Investments – restricted in perpetuity	1,069,094	1,069,094
Operating lease right-of-use assets, net	416,538	203,939
Other assets	38,818	32,436
Total other assets	1,569,448	1,347,088
TOTAL ASSETS	$ 10,976,493	$ 10,162,920

See notes to the consolidated financial statements.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 898,637	$ 678,002
Deferred revenue	212,956	209,595
Current portion of grant payable	20,000	36,500
Operating lease liabilities, current	209,770	104,270
Total current liabilities	1,341,363	1,028,367
LONG-TERM LIABILITIES		
Noncurrent portion of grant payable	-	30,000
Long-term operating lease liabilities	220,717	125,041
Total long-term liabilities	220,717	155,041
NET ASSETS		
Without donor restrictions		
Undesignated	3,066,567	3,154,558
Board designated – endowment	3,568,485	3,370,907
Total net assets without donor restrictions	6,635,052	6,525,465
With donor restrictions		
Restricted by purpose or time	1,710,267	1,384,953
Restricted in perpetuity	1,069,094	1,069,094
Total net assets with donor restrictions	2,779,361	2,454,047
Total net assets	9,414,413	8,979,512
TOTAL LIABILITIES AND NET ASSETS	$ 10,976,493	$ 10,162,920

See notes to the consolidated financial statements.

THE ASSOCIATION FOR CLINICAL PASTORAL EDUCATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES, GAINS AND PUBLIC SUPPORT				
Contributions	$ 138,171	$ -	$ 138,171	$ 83,851
Accredited center fees	2,487,037	-	2,487,037	2,224,651
Membership fees	512,003	-	512,003	494,255
Conferences	363,989	-	363,989	249,936
Interest and dividend income	133,673	54,656	188,329	303,856
Net gain on investments	602,594	270,658	873,252	259,185
Other	142,802	-	142,802	141,226
Net assets released from restrictions	-	-	-	-
Total revenues, gains and public support	4,380,269	325,314	4,705,583	3,756,960
EXPENSES				
Program services	2,345,103	-	2,345,103	2,404,186
Supporting services				
Management and general	1,459,327	-	1,459,327	1,043,200
Fundraising	466,252	-	466,252	252,441
Total expenses	4,270,682	-	4,270,682	3,699,827
CHANGES IN NET ASSETS	109,587	325,314	434,901	57,133
NET ASSETS AT:				
BEGINNING OF YEAR	6,525,465	2,454,047	8,979,512	8,922,379
END OF YEAR	$ 6,635,052	$ 2,779,361	$ 9,414,413	$ 8,979,512

See notes to the consolidated financial statements.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND PUBLIC SUPPORT			
Contributions	$ 83,851	$ -	$ 83,851
Accredited center fees	2,224,651	-	2,224,651
Membership fees	494,255	-	494,255
Conferences	249,936	-	249,936
Interest and dividend income	216,249	87,607	303,856
Net gain on investments	188,438	70,747	259,185
Other	141,226	-	141,226
Net assets released from restrictions	-	-	-
Total revenues, gains and public support	3,598,606	158,354	3,756,960
EXPENSES			
Program services	2,404,186	-	2,404,186
Supporting services			
Management and general	1,043,200	-	1,043,200
Fundraising	252,441	-	252,441
Total expenses	3,699,827	-	3,699,827
CHANGES IN NET ASSETS	(101,221)	158,354	57,133
NET ASSETS AT:			
BEGINNING OF YEAR	6,626,686	2,295,693	8,922,379
END OF YEAR	$ 6,525,465	$ 2,454,047	$ 8,979,512

See notes to the consolidated financial statements.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025								
	Program								
	Accreditation	Certification	Psychotherapy	General Education	Total Program	General and Administrative	Fundraising	Total	2024 Total
Salaries and wages	$ 291,688	$ 198,843	$ 39,072	$ 437,532	$ 967,135	$ 357,952	$ 317,850	$ 1,642,937	$ 1,391,143
Conferences, conventions and meetings	4,181	27,331	10,371	408,499	450,382	13,976	5,544	469,902	496,456
Travel	56,803	44,150	13,719	190,215	304,887	47,448	22,337	374,672	339,096
Technology	6,090	7,745	2,342	45,257	61,434	151,685	16,282	229,401	222,287
Professional fees	14,402	18,318	5,538	107,032	145,290	327,149	38,506	510,945	554,863
Occupancy	7,534	9,583	2,897	55,991	76,005	171,139	20,144	267,288	201,922
Grants to organizations	-	-	-	247,998	247,998	-	-	247,998	196,500
Office expenses	-	179	4,463	16,239	20,881	120,310	399	141,590	71,246
Credit card fees	-	-	23	-	23	71,757	75	71,855	62,469
Insurance	-	-	-	-	-	48,859	-	48,859	44,275
Bad debt	-	-	-	-	-	94,893	-	94,893	21,228
Depreciation	389	496	150	2,896	3,931	8,849	1,041	13,821	13,821
Training	-	-	900	1,137	2,037	2,535	15	4,587	-
Other	23,400	35,365	1,680	4,655	65,100	42,775	44,059	151,934	84,521
Total expenses	$ 404,487	$ 342,010	$ 81,155	$ 1,517,451	$ 2,345,103	$ 1,459,327	$ 466,252	$ 4,270,682	$ 3,699,827

See notes to the consolidated financial statements.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program							
	Accreditation	Certification	Psychotherapy	General Education	Total Program	General and Administrative	Fundraising	Total
Salaries and wages	$ 264,966	$ 180,659	$ 35,530	$ 397,450	$ 878,605	$ 325,186	$ 187,352	$ 1,391,143
Conferences, conventions and meetings	4,699	10,737	17,090	392,407	424,933	42,027	29,496	496,456
Travel	135,859	32,590	5,219	101,979	275,647	62,334	1,115	339,096
Technology	37,789	26,674	4,446	100,029	168,938	51,126	2,223	222,287
Professional fees	10,000	74,435	35,530	87,860	207,825	329,472	17,566	554,863
Occupancy	34,327	24,231	4,038	90,865	153,461	46,442	2,019	201,922
Grants to organizations	-	-	-	196,500	196,500	-	-	196,500
Office expenses	242	39	2,437	17,832	20,550	49,057	1,639	71,246
Credit card fees	-	-	-	232	232	62,237	-	62,469
Insurance	-	-	-	3,000	3,000	38,275	3,000	44,275
Bad debt	-	-	-	21,228	21,228	-	-	21,228
Depreciation	2,212	1,659	275	5,667	9,813	3,870	138	13,821
Training	-	-	-	-	-	-	-	-
Other	22,257	19,483	1,264	450	43,454	33,174	7,893	84,521
Total expenses	$ 512,351	$ 370,507	$ 105,829	$ 1,415,499	$ 2,404,186	$ 1,043,200	$ 252,441	$ 3,699,827

See notes to the consolidated financial statements.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 434,901	$ 57,133
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	13,821	13,821
Operating lease right-of-use assets	200,204	132,689
Net realized and unrealized gain on investments	(873,252)	(259,185)
Changes in assets and liabilities:		
Accounts receivable	(21,869)	97,026
Prepaid expenses and other assets	(73,672)	(13,535)
Accounts payable and accrued expenses	220,635	26,922
Operating lease liabilities	(211,627)	(139,500)
Grant payable	(46,500)	66,500
Deferred revenue	3,361	69,700
Net cash (used in) provided by operating activities	(353,998)	51,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(17,200)	-
Reinvestment of dividends and interest, net of expenses	(151,285)	(260,147)
Net distributions from investments	236,000	202,000
Net cash provided by (used in) investing activities	67,515	(58,147)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(286,483)	(6,576)
CASH AND CASH EQUIVALENTS AT:		
BEGINNING OF YEAR	1,614,537	1,621,113
END OF YEAR	$ 1,328,054	$ 1,614,537
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Noncash activity:		
Additions to right-of-use assets and lease liabilities	$ 374,767	$ -

See notes to the consolidated financial statements.

1. ORGANIZATION

The Association for Clinical Pastoral Education, Inc. was organized to promote clinical pastoral education as part of theological education and continuing education for the ministry. The Foundation for Clinical Pastoral Education, Inc. (Foundation) was created to fund the work of The Association for Clinical Pastoral Education, Inc. Effective January 1, 2014, the Foundation is considered a supporting organization and is consolidated with The Association for Clinical Pastoral Education, Inc.

Both organizations are tax exempt under Section 501(c)(3) of the Internal Revenue Code (IRC) and are collectively referred to herein as the "Association."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying financial statements reflect the financial position of the Association. All interorganization transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities at year end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Board Designated – Net assets without donor restrictions designated by the Board to be held for endowment or other specified purposes. The Board can elect to remove these designations in the future.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or passage of time. Additionally, net assets are subject to donor-imposed stipulations that the Association maintain them permanently. Earnings from the Association's net assets held in perpetuity are restricted by donors to be distributed for specific purposes.

Accounting for Contributions

The Association records contributions at the date of the gift. Donated investments are recorded at their fair value on the date donated. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated by the donor for specific purposes or for use in a future period are reported as an increase to net assets with donor restrictions.

Restrictions on contributions expire when a purpose or time restriction is accomplished. Upon satisfaction, net assets with donor restrictions are reclassified to net assets without donor

restrictions and are reported in the accompanying consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions include the principal amount of contributions accepted with the stipulation from the donors that the principal be maintained in perpetuity.

Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in restricted support at the time of receipt and as net assets released from restrictions upon satisfaction of the donor restriction.

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

Cash and Cash Equivalents
For the purpose of the consolidated statements of cash flows, the Association considers all highly liquid investments purchased with an initial maturity of three months or less, not held in the investment account, to be cash equivalents.

Fair Value of Financial Instruments
Financial instruments, primarily cash, receivables, payables and investments are reported at values which the Association believes are not significantly different from fair value.

Unconditional Promises to Give
Unconditional promises to give are recognized as revenues in the period when the promise is received. Promises to give due in more than one year are discounted using a risk adjusted discount rate to the present value of estimated future cash flows. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

Investments
Investments are carried at fair value. Fair value is determined from quoted market prices or market prices of similar instruments. Realized and unrealized gains and losses are included in the consolidated statements of activities.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

- Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. All of the Association's investments are Level 1 investments.

Recognition of Revenue
Accredited centers and systems are assessed annual membership dues (including satellites, component sites and educator candidate fees) as of January 1 each year to be a member of the Association.

Certified educators and associate certified educators are assessed annual membership dues as of January 1 each year to be a member of the Association.

All other membership types (psychotherapists, practitioners, spiritual care professionals, student members, faith groups and seminaries) are assessed annual membership dues as of January 1 each year to be a member of the Association.

Membership revenue is recognized in the periods applicable to individual membership terms. Annual membership terms are based on the calendar year for all membership types.

Conference revenue is recognized in the period the conference is held.

Deferred revenue represents dues received in the period prior to the period in which the dues are earned by the Association.

Accounts Receivable
The Association provides for probable uncollectible amounts through a provision of credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Receivables are considered impaired if payments are not received in accordance with contractual terms. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collectible. At December 31, 2025 and 2024, an allowance of $91,150 and $17,485 was recorded.

Property and Equipment
All acquisitions of property and equipment in excess of $2,500 and all renewals and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are charged to expense as incurred. Property, equipment and improvements are stated at cost or, if donated, at the approximate fair value at the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from two to seven years.

Endowment
The Board of Directors (the Board) determined that the majority of the Association's net assets donor restricted in perpetuity met the definition of endowment funds under Georgia's adoption of the Uniform Prudent Management of Institutional Funds Act (GPMIFA). See Note 5.

Functional Allocation
The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Association. Accordingly, technology and personnel costs have been allocated among the programs and supporting services benefited based on estimates of time and effort. Depreciation and occupancy costs have been allocated based on square footage.

Income Taxes
The Association is exempt from income taxes under Section 501(c)(3) of the IRC and, therefore, has made no provision for federal income taxes in the accompanying consolidated financial statements. In addition, the Association has been determined not to be a "private foundation" by the Internal Revenue Service (IRS) within the meaning of Section 509(a) of the IRC and qualifies for the charitable contribution deduction.

Donated Services
A substantial number of volunteer hours have been donated by individuals in the Association's program services and, to a lesser extent, its administrative activities. No amounts have been recorded in the accompanying consolidated statements of activities for these donated services inasmuch as only donations of services that create or enhance nonfinancial assets, or require specialized skills that would otherwise typically be purchased, are recorded as support and expense.

Concentrations of Credit Risk
Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents, investments and receivables. From time to time throughout the year, the Association's cash balances on deposit exceed the federally insured limits. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. As a result of liquidity issues experienced in the global credit and capital markets, it is at least reasonably possible that changes in risks in the near term could occur which in turn could materially affect the amounts reported in the accompanying consolidated financial statements.

Reclassifications
Certain 2024 amounts have been reclassified to conform to the 2025 presentation. These reclassifications had no effect on net assets as previously reported.

Events Occurring After Report Date
The Association has evaluated events and transactions that occurred between December 31, 2025 and October 19, 2026, which is the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

3. INVESTMENTS

The Association invests in money markets, stocks and mutual funds. The fair value of these investments is measured using the market approach by using the quoted price on the national exchanges on the last day of the year. These investments are all in U.S. markets and are classified as Level 1 investments. The fair values and mutual fund types at December 31, 2025 and 2024, are summarized below:

	2025	2024
Money market funds	$ 1,045,605	$ 329,405
Stocks	5,377,029	2,925,526
Mutual funds	2,190,258	4,569,424
	8,612,892	7,824,355
Less current portion	7,543,798	6,755,261
Investments – restricted in perpetuity	$ 1,069,094	$ 1,069,094

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2025 and 2024, are as follows:

	2025	2024
Furniture and fixtures	$ 179,025	$ 179,025
Software	324,740	307,540
Leasehold improvements	68,143	68,143
	571,908	554,708
Less accumulated depreciation and amortization	(526,910)	(513,089)
	$ 44,998	$ 41,619

For 2025 and 2024, depreciation expense was $13,821.

5. NET ASSET RESTRICTIONS

At December 31, 2025 and 2024, $3,568,485 and $3,370,907 of net assets without donor restrictions, respectively, were designated by the Board for endowment.

Net assets with donor restrictions were available for the following purposes at December 31, 2025 and 2024:

	2025	2024
Subject to expenditures for specific purpose:		
Earnings from endowment – general operations	$ 1,054,275	$ 817,404
Earnings from endowment – continuing education programs	132,340	105,141
Scholarships and other	130,065	114,839
Psychotherapy program	393,587	347,569
	1,710,267	1,384,953
Subject to restriction in perpetuity:		
Endowment	1,069,094	1,069,094
	$ 2,779,361	$ 2,454,047

Endowments
The Association understands GPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Association classifies as net assets with donor restrictions:

1) The original value of gifts donated to the endowment,
2) The original value of subsequent gifts to the endowment, and
3) Accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In addition, the portion of the endowment fund in excess of the original fair value is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by GPMIFA.

In accordance with GPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate such donor-restricted endowment funds:

1) The duration and preservation of the fund,
2) The purposes of the Association and the donor-restricted endowment fund,
3) General economic conditions,
4) The possible effects of inflation and deflation,
5) The expected total return from income and the appreciation of investments,

6) Other resources of the Association, and
7) The investment policies of the Association.

Endowment Investment and Spending Policies

The Association has adopted investment and spending polices, approved by the Board, for endowment funds that will be invested on a total return concept. Income is reinvested and realized appreciation and income are available for spending subject to restrictions imposed by individual donors, Georgia law and the investment policy. Under the spending policy, appropriation of funds may be made annually by the Board of an amount up to 5% per annum of the average fair value of the endowment determined as a 12-quarter rolling average. The policy includes a cap of 10% growth over the prior year's spending and a -5% floor, adjusted by the annual inflation rate as measured by the Consumer Price Index. The Board requires that the securities held in the fund represent a cross section of the economy and, as such, have set asset allocation targets within the investment policy.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of the Association has interpreted GPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There are no underwater endowments as of December 31, 2025 and 2024.

Endowment net asset composition by type of fund as of December 31, 2025, is as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains and Other	Total with Donor Restrictions	Total Funds
General operations	$ -	$ 969,094	$ 1,054,275	$ 2,023,369	$ 2,023,369
Continuing education	-	100,000	132,340	232,340	232,340
Total donor-restricted	-	1,069,094	1,186,615	2,255,709	2,255,709
Board designated	3,568,485	-	-	-	3,568,485
Total funds	$ 3,568,485	$ 1,069,094	$ 1,186,615	$ 2,255,709	$ 5,824,194

Endowment net asset composition by type of fund as of December 31, 2024, is as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains and Other	Total with Donor Restrictions	Total Funds
Donor-restricted					
General operations	$ -	$ 969,094	$ 817,404	$ 1,786,498	$ 1,786,498
Continuing education	-	100,000	105,141	205,141	205,141
Total donor-restricted	-	1,069,094	922,545	1,991,639	1,991,639
Board designated	3,370,907	-	-	-	3,370,907
Total funds	$ 3,370,907	$ 1,069,094	$ 922,545	$ 1,991,639	$ 5,362,546

Changes in endowment net assets for the year ended December 31, 2025, are as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains and Other	Total with Donor Restrictions	Total Funds
Endowment net assets January 1, 2025	$ 3,370,907	$ 1,069,094	$ 922,545	$ 1,991,639	$ 5,362,546
Investment return income	72,290	-	44,367	44,367	116,657
Net appreciation (realized and unrealized)	361,288	-	219,703	219,703	580,991
Appropriation of endowment assets for expenditure	(236,000)	-	-	-	(236,000)
Endowment net assets December 31, 2025	$ 3,568,485	$ 1,069,094	$ 1,186,615	$ 2,255,709	$ 5,824,194

Changes in endowment net assets for the year ended December 31, 2024, are as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions	Total Funds
Endowment net assets January 1, 2024	$ 3,341,608	$ 1,069,094	$ 794,005	$ 1,863,099	$ 5,204,707
Investment return income	122,469	-	71,114	71,114	193,583
Net appreciation (realized and unrealized)	108,830	-	57,426	57,426	166,256
Appropriation of endowment assets for expenditure	(202,000)	-	-	-	(202,000)
Endowment net assets December 31, 2024	$ 3,370,907	$ 1,069,094	$ 922,545	$ 1,991,639	$ 5,362,546

6. LEASE COMMITMENTS

The Association evaluated current contracts to determine which met the criteria of a lease. The right-of-use asset represents the Association's right to use the underlying assets for the lease term, and the lease liabilities represents the Association's obligation to make lease payments arising from the leases. The right-of-use assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Association has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Operating right-of-use assets and lease liabilities are classified as follows on the consolidated statements of financial position as of December 31, 2025 and 2024:

	2025	2024
Operating Leases		
Operating lease right-of-use asset, net	$ 416,538	$ 203,939
Current portion of operating lease liabilities	$ 209,770	$ 104,270
Operating lease liabilities, net of current portion	220,717	125,041
Total operating lease liabilities	$ 430,487	$ 229,311

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2025 and 2024:

	2025	2024
Weighted Average Remaining Lease Term		
Operating leases	2.13	2.21
Weighted Average Discount Rate		
Operating leases	3.73%	2.94%

Future maturities of lease liabilities as of December 31, 2025, were as follows:

For the Year Ended December 31,	
2026	$ 221,728
2027	170,700
2028	55,210
Total lease payments	447,638
Less interest	(17,151)
Present value of lease liabilities	$ 430,487

For the years ended December 31, 2025 and 2024, total operating lease expense was $174,840 and $141,659, respectively.

In July 2022, the Association entered into a sublease agreement with an unrelated party for 58 months commencing on August 1, 2022. The Association recognized lease income of $102,872 and $99,380, which is included in other revenues, gains and public support of the consolidated statement of activities for the years ended December 31, 2025 and 2024, respectively.

Future minimum lease revenue payments are as follows:

2026	$ 106,214
2027	45,020

7. BENEFIT PLANS

In October 2002 the Association entered into an agreement with Emory University (Emory) whereby Emory would provide certain services to the Association. The services include coverage of Association employees under Emory's fringe benefit programs including retirement plans. For the years ended December 31, 2025 and 2024, the Association paid Emory

approximately $367,000 and $321,000 (31% of the total payroll cost), respectively, for fringe benefits.

8. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Association's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, are perpetual endowments or accumulated earnings net of appropriations within one year, or have been set aside by the Board for contingency reserves, projects, or long-term investments as board designated endowments.

	2025	2024
Financial assets		
Cash and cash equivalents	$ 1,328,054	$ 1,614,537
Investments	8,612,892	7,824,355
Accounts receivable	375,465	353,596
Financial assets, at year end	10,316,411	9,792,488
Less: assets unavailable for general expenditures within one year:		
Donor-imposed purpose restrictions	1,710,267	1,384,953
Donor restricted in perpetuity	1,069,094	1,069,094
Board designated endowment	3,568,485	3,370,907
Total financial assets unavailable for general expenditure within one year	6,347,846	5,824,954
Financial assets available to meet cash needs for general expenditures within one year	$ 3,968,565	$ 3,967,534

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. Although the Association does not intend to spend from its board designated endowment other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its board designated endowment could be made available if necessary.

SUPPLEMENTARY INFORMATION

Warren Averett
CPAs AND ADVISORS

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
The Association for
Clinical Pastoral Education, Inc.
and Subsidiary

We have audited the consolidated financial statements of The Association for Clinical Pastoral Education, Inc. and Subsidiary as of and for the year ended December 31, 2025, and our report thereon dated October 19, 2026, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information included in the accompanying consolidating financial statements is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Warren Averett, LLC

Atlanta, Georgia
October 19, 2026

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	The Association for Clinical Pastoral Education, Inc.	The Foundation for Clinical Pastoral Education, Inc.	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	$ 1,088,125	$ 239,929	$ -	$ 1,328,054
Investments	3,229,327	4,314,471	-	7,543,798
Accounts receivable, net	375,365	100	-	375,465
Prepaid expenses and other current assets	159,728	-	-	159,728
Total current assets	4,852,545	4,554,500	-	9,407,045
OTHER ASSETS				
Property and equipment, net	44,998	-	-	44,998
Investments – restricted in perpetuity	-	1,069,094	-	1,069,094
Due from FCPE	1,711,244	-	(1,711,244)	-
Lease right-of-use asset – operating	416,538			416,538
Other assets	38,818	-	-	38,818
Total other assets	2,211,598	1,069,094	(1,711,244)	1,569,448
TOTAL ASSETS	$ 7,064,143	$ 5,623,594	$ (1,711,244)	$ 10,976,493

See independent auditors' report on supplementary information.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	The Association for Clinical Pastoral Education, Inc.	The Foundation for Clinical Pastoral Education, Inc.	Eliminations	Total
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 812,918	$ 85,719	$ -	$ 898,637
Due to ACPE	-	519,617	(519,617)	-
Deferred revenue	212,956	-	-	212,956
Current portion of grant payable	20,000			20,000
Current portion of lease liability – operating	209,770	-	-	209,770
Total current liabilities	1,255,644	605,336	(519,617)	1,341,363
LONG-TERM LIABILITY				
Noncurrent portion of lease liability – operating	220,717	-	-	220,717
Total long-term liability	220,717	-	-	220,717
NET ASSETS				
Without donor restrictions	2,808,421	3,293,672	532,959	6,635,052
With donor restrictions	2,779,361	1,724,586	(1,724,586)	2,779,361
Total net assets	5,587,782	5,018,258	(1,191,627)	9,414,413
TOTAL LIABILITIES AND NET ASSETS	$ 7,064,143	$ 5,623,594	$ (1,711,244)	$ 10,976,493

See independent auditors' report on supplementary information.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	The Association for Clinical Pastoral Education, Inc.	The Foundation for Clinical Pastoral Education, Inc.	Eliminations	Total
REVENUES, GAINS AND PUBLIC SUPPORT				
Contributions	$ 681,100	$ 54,071	$ (597,000)	$ 138,171
Accredited center fees	2,487,037	-	-	2,487,037
Membership fees	512,003	-	-	512,003
Conferences	363,989	-	-	363,989
Interest and dividend income	70,249	118,080	-	188,329
Net gain on investments	321,927	551,325	-	873,252
Other	142,802	-	-	142,802
Total revenues, gains and public support	4,579,107	723,476	(597,000)	4,705,583
EXPENSES				
Program services	2,310,744	631,359	(597,000)	2,345,103
Supporting services				
Management and general	1,385,377	73,950	-	1,459,327
Fundraising	343,623	122,629	-	466,252
Total expenses	4,039,744	827,938	(597,000)	4,270,682
CHANGES IN NET ASSETS	539,363	(104,462)	-	434,901
NET ASSETS AT:				
BEGINNING OF YEAR	5,048,419	5,122,720	(1,191,627)	8,979,512
END OF YEAR	$ 5,587,782	$ 5,018,258	$ (1,191,627)	$ 9,414,413

See independent auditors' report on supplementary information.