THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
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DECEMBER 31, 2024 AND 2023

Warren Averett
CPAs AND ADVISORS

3500 Lenox Road, Suite 1600
Atlanta, GA 30326
770.396.1100
warrenaverett.com

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, 2024 and 2023, 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, 2024 and 2023, 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
December 9, 2025

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 1,614,537	$ 1,621,113
Investments	6,755,261	6,437,929
Accounts receivable, net	353,596	450,622
Prepaid expenses and other current assets	92,438	82,903
Total current assets	8,815,832	8,592,567
OTHER ASSETS		
Property and equipment, net	41,619	55,440
Investments – restricted in perpetuity	1,069,094	1,069,094
Lease right-of-use asset – operating	203,939	336,628
Other assets	32,436	28,436
Total other assets	1,347,088	1,489,598
TOTAL ASSETS	$ 10,162,920	$ 10,082,165

See notes to the consolidated financial statements.

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 678,002	$ 651,080
Deferred revenue	209,595	139,895
Current portion of grant payable	36,500	-
Current portion of lease liability – operating	104,270	139,500
Total current liabilities	1,028,367	930,475
LONG-TERM LIABILITY		
Noncurrent portion of grant payable	30,000	-
Noncurrent portion of lease liability – operating	125,041	229,311
Total long-term liability	155,041	229,311
NET ASSETS		
Without donor restrictions		
Undesignated	3,154,558	3,285,078
Board designated – endowment	3,370,907	3,341,608
Total net assets without donor restrictions	6,525,465	6,626,686
With donor restrictions		
Restricted by purpose or time	1,384,953	1,226,599
Restricted in perpetuity	1,069,094	1,069,094
Total net assets with donor restrictions	2,454,047	2,295,693
Total net assets	8,979,512	8,922,379
TOTAL LIABILITIES AND NET ASSETS	$ 10,162,920	$ 10,082,165

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
(WITH COMPARATIVE TOTALS FOR 2023)**

	2024			2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
REVENUES, GAINS AND PUBLIC SUPPORT				
Contributions	$ 83,851	$ -	$ 83,851	$ 324,740
Accredited center fees	2,224,651	-	2,224,651	2,258,601
Membership fees	494,255	-	494,255	522,402
Conferences	249,936	-	249,936	192,801
Interest and dividend income	216,249	87,607	303,856	165,576
Net gain on investments	188,438	70,747	259,185	970,393
Other	141,226	-	141,226	191,666
Net assets released from restrictions	-	-	-	-
Total revenues, gains and public support	3,598,606	158,354	3,756,960	4,626,179
EXPENSES				
Program services	2,404,186	-	2,404,186	2,755,582
Supporting services				
Management and general	1,043,200	-	1,043,200	938,669
Fundraising	252,441	-	252,441	182,500
Total expenses	3,699,827	-	3,699,827	3,876,751
CHANGES IN NET ASSETS	(101,221)	158,354	57,133	749,428
NET ASSETS AT:				
BEGINNING OF YEAR	6,626,686	2,295,693	8,922,379	8,172,951
END OF YEAR	$ 6,525,465	$ 2,454,047	$ 8,979,512	$ 8,922,379

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND PUBLIC SUPPORT			
Contributions	$ 324,740	$ -	$ 324,740
Accredited center fees	2,258,601	-	2,258,601
Membership fees	522,402	-	522,402
Conferences	192,801	-	192,801
Interest and dividend income	123,424	42,152	165,576
Net gain on investments	685,085	285,308	970,393
Other	191,666	-	191,666
Net assets released from restrictions	8,000	(8,000)	-
Total revenues, gains and public support	4,306,719	319,460	4,626,179
EXPENSES			
Program services	2,755,582	-	2,755,582
Supporting services			
Management and general	938,669	-	938,669
Fundraising	182,500	-	182,500
Total expenses	3,876,751	-	3,876,751
CHANGES IN NET ASSETS	429,968	319,460	749,428
NET ASSETS AT:			
BEGINNING OF YEAR	6,196,718	1,976,233	8,172,951
END OF YEAR	$ 6,626,686	$ 2,295,693	$ 8,922,379

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
(WITH COMPARATIVE TOTALS FOR 2023)

	2024								
	Program								
	Accreditation	Certification	Psychotherapy	General Education	Total Program	General and Administrative	Fundraising	Total	2023 Total
Salaries and wages	$ 264,966	$ 180,659	$ 35,530	$ 397,450	$ 878,605	$ 325,186	$ 187,352	$ 1,391,143	$ 1,368,250
Conferences, conventions and meetings	4,699	10,737	17,090	392,407	424,933	42,027	29,496	496,456	552,344
Travel	135,859	32,590	5,219	101,979	275,647	62,334	1,115	339,096	530,908
Technology	37,789	26,674	4,446	100,029	168,938	51,126	2,223	222,287	205,942
Professional fees	10,000	74,435	35,530	87,860	207,825	329,472	17,566	554,863	535,920
Occupancy	34,327	24,231	4,038	90,865	153,461	46,442	2,019	201,922	235,710
Grants to organizations	-	-	-	196,500	196,500	-	-	196,500	218,400
Office expenses	242	39	2,437	17,832	20,550	49,057	1,639	71,246	68,583
Credit card fees	-	-	-	232	232	62,237	-	62,469	55,024
Insurance	-	-	-	3,000	3,000	38,275	3,000	44,275	42,397
Bad debt	-	-	-	21,228	21,228	-	-	21,228	-
Depreciation	2,212	1,659	275	5,667	9,813	3,870	138	13,821	62,145
Training	-	-	-	-	-	-	-	-	1,128
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	$ 3,876,751

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, 2023

	Program							
	Accreditation	Certification	Psychotherapy	General Education	Total Program	General and Administrative	Fundraising	Total
Salaries and wages	$ 279,359	$ 188,039	$ -	$ 425,167	$ 892,565	$ 333,457	$ 142,228	$ 1,368,250
Conferences, conventions and meetings	9,485	25,677	2,541	483,311	521,014	7,806	23,524	552,344
Travel	128,373	44,814	7,084	296,771	477,042	53,866	-	530,908
Technology	34,069	25,108	4,220	92,601	155,998	48,373	1,571	205,942
Professional fees	38,027	87,329	42,245	93,300	260,901	262,662	12,357	535,920
Occupancy	38,275	28,431	4,989	101,311	173,006	60,556	2,148	235,710
Grants to organizations	-	-	-	218,400	218,400	-	-	218,400
Office expenses	85	448	115	12,005	12,653	55,930	-	68,583
Credit card fees	-	-	-	-	-	55,024	-	55,024
Insurance	-	-	-	-	-	42,397	-	42,397
Depreciation	9,809	7,356	1,356	25,482	44,003	17,470	672	62,145
Training	-	-	-	-	-	1,128	-	1,128
Total expenses	$ 537,482	$ 407,202	$ 62,550	$ 1,748,348	$ 2,755,582	$ 938,669	$ 182,500	$ 3,876,751

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, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 57,133	$ 749,428
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	13,821	62,145
Amortization of right-of-use asset	132,689	108,936
Net realized and unrealized gain on investments	(259,185)	(970,393)
Changes in assets and liabilities:		
Accounts receivable	97,026	56,156
Unconditional promise to give	-	5,988
Prepaid expenses and other assets	(13,535)	27,272
Accounts payable and accrued expenses	26,922	116,257
Payments on operating lease liability	(139,500)	(109,307)
Grant payable	66,500	-
Deferred revenue	69,700	(152,305)
Net cash provided by (used in) operating activities	51,571	(105,823)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(7,629)
Reinvestment of dividends and interest, net of expenses	(260,147)	(123,341)
Net distributions from investments	202,000	213,000
Net cash (used in) provided by investing activities	(58,147)	82,030
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,576)	(23,793)
CASH AND CASH EQUIVALENTS AT:		
BEGINNING OF YEAR	1,621,113	1,644,906
END OF YEAR	$ 1,614,537	$ 1,621,113

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 uses the allowance method to account for uncollectible accounts receivable. The allowance is based on historical experience and management's analysis of possible bad debt. 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, 2024 and 2023, an allowance of $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.

Adoption of New Accounting Standards
In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial

assets held by the Association that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Association adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements.

Reclassifications
Certain 2023 amounts have been reclassified to conform to the 2024 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, 2024 and December 9, 2025, 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, 2024 and 2023, are summarized below:

	2024	2023
Money market funds	$ 329,405	$ 168,157
Stocks	2,925,526	2,193,552
Mutual funds	4,569,424	5,145,314
	7,824,355	7,507,023
Less current portion	6,755,261	6,437,929
Investments – restricted in perpetuity	$ 1,069,094	$ 1,069,094

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2024 and 2023, are as follows:

	2024	2023
Furniture and fixtures	$ 179,025	$ 179,025
Software	307,540	307,540
Leasehold improvements	68,143	68,143
	554,708	554,708
Less accumulated depreciation and amortization	(513,089)	(499,268)
	$ 41,619	$ 55,440

For 2024 and 2023, depreciation and amortization expense was $13,821 and $62,145, respectively.

5. NET ASSET RESTRICTIONS

At December 31, 2024 and 2023, $3,370,907 and $3,341,608 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, 2024 and 2023:

	2024	2023
Subject to expenditures for specific purpose:		
Earnings from endowment – general operations	$ 817,404	$ 702,103
Earnings from endowment – continuing education programs	105,141	91,902
Education	-	500
Scholarships and other	114,839	107,427
Psychotherapy program	347,569	324,667
	1,384,953	1,226,599
Subject to restriction in perpetuity:		
Endowment	1,069,094	1,069,094
	$ 2,454,047	$ 2,295,693

Net assets with donor restrictions released from restrictions for the psychotherapy program were $8,000 during the year ended December 31, 2023.

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, 2024 and 2023.

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
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

Endowment net asset composition by type of fund as of December 31, 2023, 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	$ 702,103	$ 1,671,197	$ 1,671,197
Continuing education	-	100,000	91,902	191,902	191,902
Total donor-restricted	-	1,069,094	794,005	1,863,099	1,863,099
Board designated	3,341,608	-	-	-	3,341,608
Total funds	$ 3,341,608	$ 1,069,094	$ 794,005	$ 1,863,099	$ 5,204,707

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 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
Additions	-	-	-	-	-
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

Changes in endowment net assets for the year ended December 31, 2023, 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, 2023	$ 3,049,741	$ 1,069,094	$ 536,134	$ 1,605,228	$ 4,654,969
Investment return income	63,745	-	34,218	34,218	97,963
Net appreciation (realized and unrealized)	433,122	-	231,653	- 231,653	664,775
Additions	-	-	189,296	189,296	189,296
Appropriation of endowment assets for expenditure	(205,000)	-	(197,296)	(197,296)	(402,296)
Endowment net assets December 31, 2023	$ 3,341,608	$ 1,069,094	$ 794,005	$ 1,863,099	$ 5,204,707

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 asset for the lease term, and the lease liability represents the Association’s obligation to make lease payments arising from the lease. The right-of-use asset and lease liability, all of which arise from an operating lease, 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. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2022, was 3.12%.

For the years ended December 31, 2024 and 2023, total operating lease cost was $141,659 and $120,647, respectively. As of December 31, 2024, the weighted-average remaining lease term for the Association's operating lease was approximately two years.

Cash paid for the operating lease for the years ended December 31, 2024 and 2023, was approximately $148,000 and $121,000, respectively. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

Total future minimum lease payments are as follows for the years ending December 31:

2025	$ 108,969
2026	89,224
2027	38,196
	236,389
Less PV discount	(7,078)
Lease liability	$ 229,311

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 $99,380 and $97,200, which is included in other revenue, gains and public support of the consolidated statement of activities for the years ended December 31, 2024 and 2023, respectively.

Future minimum lease revenue payments are as follows:

2025	$ 103,119
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, 2024 and 2023, the Association paid Emory approximately $321,000 and $282,000 (27% 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, 2024 and 2023, 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.

	2024	2023
Financial assets		
Cash and cash equivalents	$ 1,614,537	$ 1,621,113
Investments	7,824,355	7,507,023
Accounts receivable	353,596	450,622
Financial assets, at year end	9,792,488	9,578,758
Less: assets unavailable for general expenditures within one year:		
Donor-imposed purpose restrictions	1,384,953	1,226,599
Donor restricted in perpetuity	1,069,094	1,069,094
Board designated endowment	3,370,907	3,341,608
Total financial assets unavailable for general expenditure within one year	5,824,954	5,637,301
Financial assets available to meet cash needs for general expenditures within one year	$ 3,967,534	$ 3,941,457

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

3500 Lenox Road, Suite 1600
Atlanta, GA 30326
770.396.1100
warrenaverett.com

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, 2024, and our report thereon dated December 9, 2025, 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
December 9, 2025

THE ASSOCIATION FOR
CLINICAL PASTORAL EDUCATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	The Association for Clinical Pastoral Education, Inc.	The Foundation for Clinical Pastoral Education, Inc.	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	$ 1,284,819	$ 329,718	$ -	$ 1,614,537
Investments	2,850,857	3,904,404	-	6,755,261
Accounts receivable, net	353,296	300	-	353,596
Prepaid expenses and other current assets	92,438	-	-	92,438
Total current assets	4,581,410	4,234,422	-	8,815,832
OTHER ASSETS				
Property and equipment, net	41,619	-	-	41,619
Investments – restricted in perpetuity	-	1,069,094	-	1,069,094
Due from FCPE	1,305,204	-	(1,305,204)	-
Lease right-of-use asset – operating	203,939			203,939
Other assets	32,436	-	-	32,436
Total other assets	1,583,198	1,069,094	(1,305,204)	1,347,088
TOTAL ASSETS	$ 6,164,608	$ 5,303,516	$ (1,305,204)	$ 10,162,920

See independent auditors’ report on supplementary information.

THE ASSOCIATION FOR CLINICAL PASTORAL EDUCATION, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	The Association for Clinical Pastoral Education, Inc.	The Foundation for Clinical Pastoral Education, Inc.	Eliminations	Total
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 610,783	$ 67,219	$ -	$ 678,002
Due to ACPE	-	113,577	(113,577)	-
Deferred revenue	209,595	-	-	209,595
Current portion of grant payable	36,500			36,500
Current portion of lease liability – operating	104,270	-	-	104,270
Total current liabilities	961,148	180,796	(113,577)	1,028,367
LONG-TERM LIABILITY				
Noncurrent portion of grant payable	30,000			30,000
Noncurrent portion of lease liability – operating	125,041	-	-	125,041
Total long-term liability	155,041	-	-	155,041
NET ASSETS				
Without donor restrictions	2,594,372	3,486,577	444,516	6,525,465
With donor restrictions	2,454,047	1,636,143	(1,636,143)	2,454,047
Total net assets	5,048,419	5,122,720	(1,191,627)	8,979,512
TOTAL LIABILITIES AND NET ASSETS	$ 6,164,608	$ 5,303,516	$ (1,305,204)	$ 10,162,920

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, 2024

	The Association for Clinical Pastoral Education, Inc.	The Foundation for Clinical Pastoral Education, Inc.	Eliminations	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	110,198	193,658	-	303,856
Net gain on investments	89,981	169,204	-	259,185
Other	141,226	-	-	141,226
Total revenues, gains and public support	3,310,247	446,713	-	3,756,960
EXPENSES				
Program services	2,258,185	146,001	-	2,404,186
Supporting services				
Management and general	1,007,057	36,143	-	1,043,200
Fundraising	89,611	162,830	-	252,441
Total expenses	3,354,853	344,974	-	3,699,827
CHANGES IN NET ASSETS	(44,606)	101,739	-	57,133
NET ASSETS AT:				
BEGINNING OF YEAR	5,093,025	5,020,981	(1,191,627)	8,922,379
END OF YEAR	$ 5,048,419	$ 5,122,720	$ (1,191,627)	$ 8,979,512

See independent auditors' report on supplementary information.