Consolidated Financial Statements

December 31, 2025

American Academy of Child and Adolescent Psychiatry and Affiliates

CONTENTS

INDEPENDENT AUDITOR'S REPORT

The Board (Council)
American Academy of Child & Adolescent Psychiatry and Affiliates

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of American Academy of Child & Adolescent Psychiatry and Affiliates (the Academy, a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Academy as of December 31, 2024, were audited by other auditors whose report dated June 17, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the 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 Academy's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 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 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 Academy'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 Academy'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 an opinion on the consolidated 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 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 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 June 16, 2026, on our consideration of the Academy'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 the Academy'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 the Academy's internal control over financial reporting and compliance.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
June 16, 2026

	2025	2024
ASSETS		
Cash	$ 704,740	$ 838,340
Cash - restricted	215,848	278,847
Investments	26,796,185	23,910,245
Receivables, net of allowance for credit losses of $2,564 in 2025 and $3,785 in 2024	461,223	232,619
Grants receivable	611,878	1,089,430
Prepaid expenses and other	383,283	353,884
Property and equipment, net	1,933,908	1,431,465
Investments held for endowments - restricted	6,446,859	4,594,239
Right-of-use asset - operating	12,535	22,241
TOTAL ASSETS	$ 37,566,459	$ 32,751,310
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 1,602,150	$ 1,438,092
Regional council dues payable	303,366	304,329
Deferred revenue	1,883,829	2,033,831
Lease liability - operating	12,535	22,241
Total Liabilities	3,801,880	3,798,493
Net Assets		
Net Assets Without Donor Restriction		
Undesignated	22,495,177	19,916,794
Board-designated	3,327,071	3,149,110
	25,822,248	23,065,904
Net Assets With Donor Restriction	7,942,331	5,886,913
Total Net Assets	33,764,579	28,952,817
TOTAL LIABILITIES AND NET ASSETS	$ 37,566,459	$ 32,751,310

AMERICAN ACADEMY OF CHILD AND ADOLESCENT PSYCHIATRY AND AFFILIATES
Consolidated Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Membership dues and fees	$ 3,928,489	$ -	$ 3,928,489	$ 3,492,076	$ -	$ 3,492,076
Investment income, net of fees	3,424,974	1,149,122	4,574,096	2,053,268	633,542	2,686,810
Annual meeting and institutes	3,758,739	-	3,758,739	3,365,747	-	3,365,747
Grants and contributions	1,553,595	1,376,390	2,929,985	3,590,805	363,723	3,954,528
Royalties	1,604,359	-	1,604,359	1,589,573	-	1,589,573
Journal	329,632	-	329,632	324,247	-	324,247
Publications	229,762	-	229,762	284,360	-	284,360
Training	763,903	-	763,903	330,678	-	330,678
Advertising	61,800	-	61,800	43,600	-	43,600
Subscriptions	73,960	-	73,960	-	-	-
Other income	61,452	-	61,452	236,009	-	236,009
Net assets released from restrictions	569,594	(569,594)	-	558,344	(558,344)	-
Total Revenue and Other Support	16,360,259	1,955,918	18,316,177	15,868,707	438,921	16,307,628
EXPENSES						
Program Services						
Meetings and CME	3,326,208	-	3,326,208	2,961,018	-	2,961,018
Research	2,538,642	-	2,538,642	2,393,482	-	2,393,482
Membership and communications	1,493,593	-	1,493,593	1,327,728	-	1,327,728
Advocacy	1,261,579	-	1,261,579	1,196,263	-	1,196,263
Journal	1,167,074	-	1,167,074	1,061,213	-	1,061,213
Clinical practice	458,210	-	458,210	483,868	-	483,868
Total Program Expenses	10,245,306	-	10,245,306	9,423,572	-	9,423,572
Supporting Services						
Administration	2,947,155	-	2,947,155	3,039,426	-	3,039,426
Fundraising	311,954	-	311,954	352,790	-	352,790
Total Supporting Services	3,259,109	-	3,259,109	3,392,216	-	3,392,216
Total Expenses	13,504,415	-	13,504,415	12,815,788	-	12,815,788
Change In Net Assets	2,855,844	1,955,918	4,811,762	3,052,919	438,921	3,491,840
NET ASSETS, BEGINNING OF YEAR	22,966,404	5,986,413	28,952,817	19,913,485	5,547,492	25,460,977
NET ASSETS, END OF YEAR	$ 25,822,248	$ 7,942,331	$ 33,764,579	$ 22,966,404	$ 5,986,413	$ 28,952,817

American Academy of Child and Adolescent Psychiatry and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services							Supporting Services			
	Meetings and CME	Research	Membership and Communications	Advocacy	Journal	Clinical Practice	Total Program Services	Administration	Fundraising	Total Supporting Services	Total
Personnel	$ 1,182,342	$ 727,128	$ 776,938	$ 744,352	$ 442,306	$ 223,608	$ 4,096,674	$ 1,752,504	$ 187,345	$ 1,939,849	$ 6,036,523
Meetings and travel	1,179,346	268,787	38,681	163,050	39,429	64,046	1,753,339	367,958	33,141	401,099	2,154,438
Professional services	359,292	55,076	216,296	52,077	103,542	105,479	891,762	322,218	20,433	342,651	1,234,413
Honoraria and awards	127,000	504,508	7,500	112,000	127,000	22,108	900,116	132,275	-	132,275	1,032,391
Research support	-	810,517	-	-	-	-	810,517	-	-	-	810,517
Publications, printing, and design	120,181	6,950	230,525	7,099	379,344	1,765	745,864	4,043	14,633	18,676	764,540
Tax, licenses, and fees	92,776	61,180	98,118	65,292	34,829	19,283	371,478	72,094	36,129	108,223	479,701
Occupancy and supplies	98,038	52,092	53,328	53,934	31,776	17,017	306,185	65,341	16,420	81,761	387,946
Telecommunications	90,769	2,155	59,420	2,256	1,328	724	156,652	78,230	569	78,799	235,451
Other	37,587	37,814	-	48,501	-	-	123,902	23,828	-	23,828	147,730
Insurance	16,530	-	-	-	-	-	16,530	100,024	-	100,024	116,554
Depreciation	22,347	12,435	12,787	13,018	7,520	4,180	72,287	28,640	3,284	31,924	104,211
Total Expense	$ 3,326,208	$ 2,538,642	$ 1,493,593	$ 1,261,579	$ 1,167,074	$ 458,210	$ 10,245,306	$ 2,947,155	$ 311,954	$ 3,259,109	$ 13,504,415

American Academy of Child and Adolescent Psychiatry and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services							Supporting Services			
	Meetings and CME	Research	Membership and Communications	Advocacy	Journal	Clinical Practice	Total Program Services	Administration	Fundraising	Total Supporting Services	Total
Personnel	$ 920,465	$ 616,000	$ 733,194	$ 701,660	$ 356,023	$ 281,525	$ 3,608,867	$ 1,494,063	$ 188,743	$ 1,682,806	$ 5,291,673
Professional services	338,103	54,806	116,744	55,927	97,718	40,414	703,712	812,555	21,334	833,889	1,537,601
Meetings and travel	1,128,358	241,035	43,703	163,743	30,811	78,596	1,686,246	316,807	62,362	379,169	2,065,415
Publications, printing, and design	132,821	16,109	176,529	20,715	397,673	3,389	747,236	36,949	12,663	49,612	796,848
Occupancy and supplies	62,488	28,023	33,568	37,066	16,396	12,332	189,873	48,588	10,873	59,461	249,334
Telecommunications	137,088	6,509	114,865	5,643	2,835	2,265	269,205	34,167	1,578	35,745	304,950
Honoraria and awards	124,636	453,415	8,700	76,557	127,000	39,325	829,633	130,000	-	130,000	959,633
Research support	-	918,003	-	-	-	-	918,003	-	-	-	918,003
Tax, licenses, and fees	57,531	41,026	79,521	53,291	22,253	17,632	271,254	93,657	46,641	140,298	411,552
Depreciation	21,742	13,166	14,832	14,833	7,453	5,953	77,979	29,927	4,148	34,075	112,054
Insurance	23,431	5,390	6,072	6,073	3,051	2,437	46,454	42,713	1,698	44,411	90,865
Other	14,355	-	-	60,755	-	-	75,110	-	2,750	2,750	77,860
Total Expense	$ 2,961,018	$ 2,393,482	$ 1,327,728	$ 1,196,263	$ 1,061,213	$ 483,868	$ 9,423,572	$ 3,039,426	$ 352,790	$ 3,392,216	$ 12,815,788

AMERICAN ACADEMY OF CHILD AND ADOLESCENT PSYCHIATRY AND AFFILIATES
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,811,762	$ 3,491,840
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments, net	(3,824,131)	(1,997,018)
Depreciation	104,211	112,054
Change in allowance for credit losses	(1,221)	(29,264)
Contributions restricted for long-term investment	(1,305,219)	(51,655)
(Increase) decrease in operating assets:		
Receivables	(227,383)	171,870
Grants receivables	477,552	(415,758)
Prepaid expenses and other	(29,399)	(102,047)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	164,058	(44,513)
Regional council dues payable	(963)	(269,730)
Deferred revenue	(150,002)	136,422
Net Cash Provided by Operating Activities	19,265	1,002,201
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(606,654)	(110,344)
Proceeds from sales of investments	9,910,698	2,364,584
Purchases of investments	(10,825,127)	(4,270,837)
Net Cash Used in Investing Activities	(1,521,083)	(2,016,597)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term investment	1,305,219	51,655
Net Cash Provided by Financing Activities	1,305,219	51,655
Net (Decrease) In Cash and Cash Equivalents	(196,599)	(962,741)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,117,187	2,079,928
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 920,588	$ 1,117,187
RECONCILIATION OF CASH AND RESTRICTED CASH		
Cash and cash equivalents	$ 704,740	$ 838,340
Cash and cash equivalents - restricted	215,848	278,847
TOTAL ENDING CASH BALANCE	$ 920,588	$ 1,117,187

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

American Academy of Child and Adolescent Psychiatry and Affiliates (collectively, the Academy) consists of three entities.

American Academy of Child and Adolescent Psychiatry (AACAP) is a growing and dynamic organization, giving direction to and responding quickly to new developments in the health care environment by addressing the needs of children, adolescents and families. AACAP represents child and adolescent psychiatrists with at least five years of additional training beyond medical school, including two years in child and adolescent psychiatry residency. AACAP members actively research, diagnose and treat psychiatric disorders affecting children, adolescents and their families. AACAP supports this work through a variety of programs including continuing education, clinical practice guidelines, and national public information.

American Association of Child and Adolescent Psychiatry (AMCAP) was created to engage in health policy and advocacy activities to promote mentally healthy children, adolescents and families, and the profession of child and adolescent psychiatry.

AMCAP created the AMCAP Political Action Committee (the PAC), which is a separate segregated fund of AMCAP and is an unincorporated committee. The PAC's purpose is to support federal candidates who support child and adolescent psychiatry. The PAC is not affiliated with any party.

The following are descriptions of the Academy's significant programs:

Meetings and CME

The annual meeting presents the latest research and clinical practice in the field of child and adolescent psychiatry to members and non-members. Institutes at the Annual Meeting, the January Institute, and Annual Review Course provide continuing professional education on the latest topics in the field.

Research

Through a number of federal and nonfederal grants, the Academy supports research and training fellowships in the field of child and adolescent psychiatry. The Academy promotes and supports research careers, publicizes research and training opportunities and sponsors initiatives to foster the development and continuing excellence of child and adolescent psychiatrists through fellowship programs, distinguished member lectures and research stipends.

Membership and Communication

The Membership department is also responsible for the development and maintenance of member benefits and services, and for maintaining all membership records and statistics. The Academy sponsors committees that work to increase the knowledge base about specific areas of interest for the Academy members and the public and help the Academy disseminate information.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

Advocacy

The Government Affairs department promotes advocacy efforts at the federal and state levels to improve policies and services for children and adolescents with mental illness. The organization works to educate policymakers and administrators about issues affecting child and adolescent psychiatry and children's mental health.

Journal

Through the Journal of the American Academy of Child and Adolescent Psychiatry, JAACAP Open, and JAACAP Connect, the Academy publishes peer reviewed scientific papers.

Clinical Practice

The Academy's clinical practice department is principally responsible for assisting members with issues related to their clinical practice, such as clinical practice guidelines, coordination of care/services, collaborating with other professionals and medical coding questions.

Basis of Accounting and Principles of Consolidation

The consolidated financial statements of the Academy have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) promulgated by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC).

The accompanying consolidated financial statements include the accounts of AACAP, AMCAP and the PAC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Net Assets

As required by the Not-for-Profit Entities topics of the FASB ASC, the Academy is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objects of the Academy. The Academy's board may designate assets without restrictions for specific operational purposes from time to time.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets with Donor Restrictions

Net assets subject to restrictions imposed by donors and grantors. Some donor restrictions are temporary in nature and will be met by actions of the Academy or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has restricted the funds to be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restrictions when the assets are placed in service. See Note 8 and Note 9 for details on net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of checking accounts, savings accounts, and money market accounts with original maturities of ninety days or less.

Cash and cash equivalents held within investment accounts or by bank custodians that are intended to be invested are classified as investments in the accompanying statement of financial position.

Financial Risk

The Academy maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Academy has not experienced any losses in such accounts. The Academy believes it is not exposed to any significant financial risk on cash.

The Academy invests in a professionally managed portfolio that contains various securities that are exposed to risks, such as interest, market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Investments

Investments consist of mutual funds and a money market fund that are recorded in the accompanying consolidated balance sheet at their fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. To adjust the carrying value of these investments, realized and unrealized gains and losses are recorded as investment income, net on the consolidated statement of activities.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants receivable are generated from prime and subcontracting arrangements with federal governmental agencies. For grants recognized as unconditional promises to give, the receivable is recorded as support in the period during which the promise is made. For grants determined to be conditional awards or grants, recognition is made when the conditions on which they depend are substantially met. The Academy considers the grants receivable fully collectible and due within one year.

Allowance for Credit Losses

The measurement of expected credit losses under the current expected credit loss (CECL) methodology is applicable to financial assets measured at amortized cost, which include billed and unbilled receivables as well as contract assets. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The change in the allowance for receivables during the years ended December 31, 2025 and 2024 occurred as follows:

	2025	2024
Beginning Balance	$ 3,785	$ 33,049
Provision for credit losses	(1,739)	785
Write-offs	-	(30,049)
Recoveries	518	-
Ending Balance	$ 2,564	$ 3,785

Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method over estimated useful lives of three to forty years. The Academy capitalizes all property and equipment purchased with a cost of $2,000 or more. Maintenance, repairs, and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are expensed as incurred. Gains or losses on dispositions of property and equipment, if any, are included in the accompanying statement of activities. Donated property and equipment are recorded at fair market value at the time of donation.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less expected sales costs.

Regional Council Dues Payable

Regional council dues payable consists of dues collected by the Academy on behalf of various state and local Academy councils but not remitted by year-end.

Revenue and Support

The Academy's primary revenue from contracts with customers consists of membership dues and fees, annual meetings and institutes, journal and royalties, publications, training, and subscriptions. The Academy's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a point in time. The Academy earns the majority of its revenue in the United States and its customers are primarily its members.

Membership dues and fees are recognized as revenue over the dues period, which coincides with the Academy's fiscal year. Dues payments received in advance are reported as deferred revenue and recognized during the applicable period of membership.

Annual meetings and institutes revenues are recognized in the period the meetings and institutes occur. Payments received in advance are recorded as deferred revenue.

Journal revenue is recognized in the period it is earned, which is when the publications are made available or delivered. Initial publishing royalties and other multiyear royalty agreements are recognized over the life of the agreements. Amounts received in advance for these agreements are recorded as deferred revenue.

Publication revenue is recognized when sales are made and member royalties are recognized in the period earned. Payments received in advance are recorded as deferred revenue.

Training revenue is recognized ratably over time during the period of access to the training materials. Payments related to future periods are recorded as deferred revenue.

Advertising revenue is recognized once the ad is placed for events or publications. If the ad is set to be included for a duration of time, the revenue is recognized ratably over that period of time. Payments received in advance are recorded as deferred revenue.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Support (Continued)

Subscription revenue is recognized ratably on a monthly basis over the term of the online streaming service subscription period. Subscriptions received that are attributable to months occurring after year-end are recorded as deferred revenue.

The Academy receives sponsorships for its annual meeting and other events. A portion of sponsorships may represent payment for the direct cost of the benefits received by the sponsor at the event (the exchange component), with the remaining portion representing a contribution to the Academy. Unless objective verifiable means exists to demonstrate otherwise, the fair value of the benefits provided to the participant is measured at the actual cost to the Academy. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. ASC 606 requires allocation of the transaction price to the related performance obligations.

The Academy's revenue from contracts with customers are generally for less than one year. The contracts do not include significant financing components and do not have variable considerations. The primary factor affecting future revenue and cash inflows is the individual members of the Academy discontinuing their membership. Management does not believe there is a material risk of loss for future revenue and cash inflows related to individual members discontinuing their membership.

The Academy has applied the practical expedient allowed under generally accepted accounting principles for contracts with customers. The Academy has applied the portfolio approach to those contracts within a revenue stream that have similar characteristics, as management has determined that this would produce the same results if each contract within a portfolio was analyzed individually.

The Academy has applied the practical expedient allowed under generally accepted accounting principles for contracts with customers, whereby all incremental contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Association would have recognized is one year or less.

The Academy receives federal and nonfederal grants. Unconditional federal and nonfederal grants are recognized when received. Conditional grants are recognized when any barriers to recognition are substantially met. Such grant funds received prior to barriers being met are reported as deferred revenue.

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

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Assets and Liabilities

The timing of revenue recognition may not align with the right to invoice the member. The Academy records accounts receivable when it has the unconditional right to issue and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded.

The balance of receivables related to contracts with customers was $375,225 and $232,619 at January 1, 2024 and December 31, 2024, respectively. At January 1, 2025 and December 31, 2025, these balances were $232,619 and $461,223, respectively. Additionally, deferred revenue related to contracts with customers was $1,897,409 and $2,033,831 at January 1, 2024 and December 31, 2024, respectively. At January 1, 2025, and December 31, 2025, these balances were $2,033,831 and $1,883,829, respectively.

Leases

The Academy determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Academy obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Academy also considers whether its service arrangements include the right to control the use of an asset.

The Academy recognizes most leases on its consolidated balance sheet as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, discounted to present value. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the consolidated statement of activities.

The Academy made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or at January 1, 2022, for existing leases upon the adoption of ASC Topic 842, Leases). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Academy made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probably those charges will be incurred.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Academy has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle, and equipment asset classes. The non-lease components typically represent additional services transferred to the Academy, such as common area maintenance for real estate, which are variable in nature and are recorded in variable lease expense in the period incurred.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses. Administrative expenses include expenses not directly identifiable with any other specific function but provide for the overall support and direction of the Academy. Certain costs have been allocated among program and supporting functions based upon estimates of actual time or resources devoted to activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of American (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue, support and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

AACAP, AMCAP and the PAC are generally exempt from federal income taxes under the provisions of Section 501(c)(3), 501(c)(6) and 527(f)(3), respectively, of the Internal Revenue Code. In addition, AACAP has been classified as an organization that is not a private foundation. Under current Internal Revenue Service regulations, advertising revenue earned in AACAP's publications, less applicable deductions, are subject to unrelated business income tax. There were no net tax liabilities for unrelated business income for the years ended December 31, 2025 and 2024.

Management evaluated the Academy's tax positions and concluded that the Academy had taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Advertising

Advertising costs are expensed as incurred. Total advertising costs of $54,769 and $28,396 were incurred in the years ending December 31, 2025 and 2024, respectively.

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications of amounts previously reported have been made in the accompanying financial statements in order to make the December 31, 2024 amounts conform to the classifications used for the year ended December 31, 2025.

NOTE 2 AVAILABILITY AND LIQUIDITY

The Academy maintains a policy of structuring its financial assets to be available as its general operating expenses come due. The table below represents financial assets available to meet general expenditures within one year as of December 31:

	2025	2024
Cash	$ 920,588	$ 1,117,187
Investments	26,796,185	23,910,245
Receivables, net	461,223	232,619
Grants receivable	611,878	1,089,430
Investments held for endowments	6,446,859	4,594,239
Total Financial Assets Available	35,236,733	30,943,720
Less Amounts not Available to be Used Within One Year:		
Regional council dues payable	303,366	304,329
Board-designated funds	3,327,071	3,149,110
Net assets with donor restrictions	7,942,331	5,986,413
	11,572,768	9,439,852
Financial Assets Available to Meet General Expenditures Within One Year	$ 23,663,965	$ 21,503,868

The Academy regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025 and 2024, and depreciation expense for the years then ended consist of the following:

Asset Category	Estimated Useful Lives	Cost	Accumulated Depreciation	Net	Depreciation Expense
2025					
Building and improvements	10 - 40 years	$ 4,627,082	$ 3,580,724	$ 1,046,358	$ 58,436
Office equipment, computers, and software	3 - 10 years	1,250,981	738,848	512,133	45,775
Land	N/A	375,417	-	375,417	-
		$ 6,253,480	$ 4,319,572	$ 1,933,908	$ 104,211
2024					
Building and improvements	10 - 40 years	$ 4,440,369	$ 3,522,288	$ 918,081	$ 74,568
Office equipment, computers, and software	3 - 10 years	831,041	693,074	137,967	37,486
Land	N/A	375,417	-	375,417	-
		$ 5,646,827	$ 4,215,362	$ 1,431,465	$ 112,054

NOTE 4 DEFERRED REVENUE

Deferred revenue at December 31, 2025 and 2024 consists of the following:

	2025	2024
Membership dues	$ 1,541,241	$ 1,735,959
Initial publishing royalty	53,574	107,145
Subscriptions	139,945	-
Meeting registration and other	149,069	190,727
	$ 1,883,829	$ 2,033,831

NOTE 5 LEASES

The Academy has an operating lease for several copiers. The term of the lease is for five years. Rent expense amounted to $10,224 for the years ended December 31, 2025 and 2024. Cash payments of $10,224 were made for this lease during the years ended December 31, 2025 and 2024.

Supplemental consolidated statement of financial position information related to the lease is as follows:

	2025	2024
Weighted-Average Remaining Lease Term (in Years)		
Operating lease	1.25	2.25
Weighted-Average Discount Rate		
Operating lease	2.91%	2.91%

Future undiscounted cash flows for leases for each of the next two years and reconciliation to the lease liability recognized on the consolidated statement of financial position at December 31, 2025, is as follows:

Years Ending December 31,	
2026	$ 10,224
2027	2,556
Total gross cash flows	12,780
Present value adjustment	(245)
Operating lease obligations	$ 12,535

NOTE 6 RETIREMENT PLAN

The Academy maintains two defined contribution retirement plans, a 403(b) plan and a 401(a) plan, for its full-time employees. The 403(b) plan allows employees to make elective deferrals subject to IRS limits, while the Academy contributes 10% of eligible employees' compensation quarterly to the 401(a) plan. The Academy contributed $423,916 and $295,236 to the 401(a) plan in the years ended December 31, 2025 and 2024, respectively.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Hotel Contracts

The Academy has entered into several contracts for hotel room rentals, convention centers and other services relating to future meetings. In the event of cancellation, the Academy may be required to pay various costs as stipulated in the contracts, the amounts of which are dependent upon the date of cancellation.

Legal

From time to time, the Academy may be subject to various legal proceedings, which are incidental to the ordinary course of business. In the opinion of the management of the Academy, there are no material pending legal proceedings or claims.

Federal Grants

All direct expenses and overhead rates charged under the Academy's government grants are subject to audit by a government agency. Such audits could result in claims against Academy for disallowed costs or noncompliance with granter restrictions. No provision has been made for any liabilities that may arise from such audits since management believes that Academy is in compliance with all grant restrictions, and the amount of such liabilities, if any, cannot be determined.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

For the years ended December 31, 2025 and 2024, the Academy allocated investment activity to its restricted net asset funds on a quarterly basis. This allocation has two components. The first is an allocation based on the balance and activity in each restricted fund. The second is an allocation based on the balance and activity in each restricted fund held in perpetuity. In each of the two allocations described above, the allocation methodology is the same. The allocations were calculated for each fund based on the balance in each fund at the end of the quarter, plus the current month's activities, divided by the Academy's average investment balance for the quarter, multiplied by the Academy's net investment activity for the quarter.

The Academy does not allocate investment activity to programs that are less than one year in duration or that have a measurable date of completion during the fiscal year, such as programs where the terms of the restriction are satisfied at the annual meeting. In addition, the Academy does not allocate investment activity to programs where the donors, such as but not limited to governmental entities or pharmaceutical companies, do not have expectations of receiving investment allocations or intend the funds to be subject to market losses.

Restricted funds that are driven by multiyear promises to give are allocated differently. The Academy only allocates the investment return based on the actual cash received by year-end and excludes the amount that has yet to be received.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	2025	2024
Purpose restricted	$ 1,495,472	$ 1,392,174
Endowment	6,446,859	4,594,239
	$ 7,942,331	$ 5,986,413

Net assets with donor restrictions at December 31, 2025 are as follows:

	Balance January 1, 2025	Contributions	Net Assets Released from Restrictions	Investment Income on Restricted Net Assets	Balance December 31, 2025
E. Schlosser Lewis Endowment Fund	$ 1,226,873	$ 1,100	$ (31,604)	$ 258,233	$ 1,454,602
T. Benton Leadership Fellows Endowment Fund	-	1,001,190	-	-	1,001,190
General Endowment Fund	857,862	75	(42,911)	181,595	996,621
John E. Schowalter, MD Endowment Fund	578,282	200	(1,637)	64,714	641,559
Campaign for American Kids & Break the Cycle	601,918	84,975	(181,969)	131,434	636,358
Leatherman-Drell-Ritvo Endowment Fund	453,629	80,820	(15,501)	96,100	615,048
Carlson Psychopharmacology Research Award Endowment Fund	414,230	1,150	(12,474)	86,508	489,414
Abramson Endowment Fund	270,250	-	(15,471)	55,550	310,329
Marilyn B. Benoit Child Maltreatment Award Endowment Fund	236,430	1,600	(9,866)	49,538	277,702
Sidney Berman, MD Fund	182,205	-	(5,065)	38,557	215,697
Philips Fund for Prevention Endowment Fund	174,578	-	(5,065)	36,943	206,456
Paramjit Toor Joshi, MD International Scholars Endowment Fund	155,061	-	(5,100)	32,822	182,783
James C. Harris, MD Developmental Neuropsychiatry Forum Endowment Fund	136,286	-	(5,000)	28,847	160,133
E. James Anthony Endowment Fund	90,758	1,100	(78)	19,242	111,022
International Fund - Ulku Ulgur, MD International Scholar Fund	88,782	-	(2,549)	18,792	105,025
Irving Berlin Award	100,000	-	-	-	100,000
Marcelino Amaya Fund (The Marc Amaya Award of NC)	78,696	3,723	(5,820)	16,691	93,290
Life Member Fund	68,424	44,382	(43,717)	16,514	85,603
Klingenstein Third Generation Foundation	41,842	52,225	(30,879)	-	63,188
Beatrix Hamburg Award	1,091	51,000	(1,486)	249	50,854
Aubrey Metcalf Fund (Northern California-ROCAP)	39,516	-	-	8,364	47,880
Tarjan Developmental Disabilities Award	28,354	-	(1,564)	5,992	32,782
NIDA AACAP Resident Research Award	26,283	15,000	(10,510)	-	30,773
Walkup Presidential Travel	-	17,275	-	-	17,275
Simon Wile Fund - Liaison Psychiatry Award	11,314	-	(1,564)	2,385	12,135
Pilot Research Awards	7,722	19,700	(22,810)	-	4,612
Junior Investigator Award	65,000	-	(65,000)	-	-
Pilot Research Awards for CAP Psychiatry Residents and Junior Faculty	38,000	-	(38,000)	-	-
Spurlock Minority Research Fellowship	13,027	-	(13,027)	-	-
Jeanne Spurlock Lecture & Award Fund	-	875	(927)	52	-
	$ 5,986,413	$ 1,376,390	$ (569,594)	$ 1,149,122	$ 7,942,331

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions at December 31, 2024 are as follows:

	Balance January 1, 2024	Contributions	Net Assets Released from Restrictions	Investment Income on Restricted Net Assets	Balance December 31, 2024
E. Schlosser Lewis Endowment Fund	$ 1,139,730	$ 40	$ (17,293)	$ 104,396	$ 1,226,873
General Endowment Fund	870,476	1,132	(193,617)	179,871	857,862
Campaign for America Kids & Break the Cycle	531,008	63,236	(42,628)	50,302	601,918
John E. Schowalter, MD Endowment Fund	497,833	1,130	(1,916)	81,235	578,282
Leatherman-Drell-Ritvo Endowment Fund	395,794	51,775	(34,748)	40,808	453,629
Carlson Psychopharmacology Research Award Endowment Fund	396,433	2,500	(20,000)	35,297	414,230
Abramson Endowment Fund	301,132	-	(58,334)	27,452	270,250
Marilyn B. Benoit Child Maltreatment Award Endowment Fund	224,308	1,350	(9,524)	20,296	236,430
Sidney Berman, MD Fund	167,127	-	(350)	15,428	182,205
Philips Fund for Prevention Endowment Fund	164,342	-	(4,929)	15,165	174,578
Paramjit Toor Joshi, MD International Scholars Endowment Fund	146,134	525	(5,089)	13,491	155,061
James C. Harris, MD Developmental Neuropsychiatry Forum Endowment Fund	129,398	-	(5,000)	11,888	136,286
Irving Berlin Award	100,000	-	-	-	100,000
E. James Anthony Endowment Fund	82,145	1,030	-	7,583	90,758
International Fund - Ulku Ulgur, MD International Scholar Fund	83,470	150	(2,544)	7,706	88,782
Marcelino Amaya Fund (The Marc Amaya Award of NC)	72,045	-	-	6,651	78,696
Life Member Fund	86,004	29,705	(56,149)	8,864	68,424
Junior Investigator Award	-	65,000	-	-	65,000
Klingenstein Third Generation Foundation	30,982	35,650	(24,790)	-	41,842
Aubrey Metcalf Fund (Northern California-ROCAP)	36,176	-	-	3,340	39,516
Pilot Research Awards for CAP Psychiatry Residents and Junior Faculty	-	38,000	-	-	38,000
Tarjan Developmental Disabilities Award	27,194	-	(1,350)	2,510	28,354
NIDA AACAP Resident Research Award	38,132	15,000	(26,849)	-	26,283
Spurlock Minority Research Fellowship	14,756	25,500	(27,300)	71	13,027
Simon Wile Fund - Liaison Psychiatry Award	11,594	-	(1,350)	1,070	11,314
Pilot Research Awards	-	31,000	(23,278)	-	7,722
Beatrix Hamburg Award	1,279	1,000	(1,306)	118	1,091
	$ 5,547,492	$ 363,723	$ (558,344)	$ 633,542	$ 5,986,413

NOTE 9 DONOR-RESTRICTED ENDOWMENT AND BOARD-DESIGNATED NET ASSETS

The Academy follows the ASC 958-205 subtopic reporting endowment funds. This guidance addresses accounting issues related to guidelines in the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the National Conferences of Commissioners on Uniform State Laws in July 2006. Management has interpreted the District of Columbia enacted version of UPMIFA as requiring the preservation of the fair value of original donor-restricted contributions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Academy classifies donor-restricted net assets that are held in perpetuity at (a) the original value of donor-restricted cash contribution and (b) the discounted value of future donor-restricted cash contributions, net of allowance for uncollectible promises. The remaining portion of donor-restricted cash contributions are 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 UPMIFA.

NOTE 9 DONOR-RESTRICTED ENDOWMENT AND BOARD-DESIGNATED NET ASSETS (CONTINUED)

In accordance with UPMIFA, the Academy considers the following factors in making a determination to appropriate or accumulate donor-restricted cash contributions:

- The purposes of the Academy and donor-restricted endowment fund
- The duration and preservation of the funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Investment policies

Spending Policy

All earnings (losses) from the Academy's donor-restricted endowment net assets held in perpetuity are recorded as net assets with donor restrictions. The Academy's donor-restricted endowment funds held in perpetuity are geared towards programmatic spending that falls within the mission and purpose of the Academy. The Academy analyzes the balance in the donor-restricted endowment fund when evaluating the ability to spend prudently on related programs, which coincide with the purpose of the fund. The Academy's donor-restricted endowment fund is used to support programs that promote the health and development of children, adolescents and families. The programs, which the Academy supports are ultimately decided by the Academy. Board-designated net assets are used to fund programs determined by the President.

Investment Policy

The Academy invests all restricted funds, as well as other invested funds, in a fund managed by an investment manager according to the objectives and guidelines of the Academy's Statement of Investment Objectives. The Academy's overall objective is to outperform inflation while minimizing potential losses. At least annually, the Academy's Financial Planning Committee, in consultation with the Treasurer and Executive Director, will review the Statement of Investment Objectives to determine their continued applicability. Ultimate authority and responsibility for the financial policies rest with the Academy.

Underwater Policy

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Academy. There were no such deficiencies noted at December 31, 2025 and 2024.

NOTE 9 DONOR-RESTRICTED ENDOWMENT AND BOARD-DESIGNATED NET ASSETS (CONTINUED)

The Academy's endowment funds consist of the following at December 31, 2025 and 2024:

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 6,446,859	$ 6,446,859	$ -	$ 4,594,239	$ 4,594,239
Board-designated endowment funds	3,327,071	-	3,327,071	3,149,110	-	3,149,110
	$ 3,327,071	$ 6,446,859	$ 9,773,930	$ 3,149,110	$ 4,594,239	$ 7,743,349

Endowment funds without donor restrictions are included in investments on the statements of financial position.

Endowment fund activity consists of the following for the years ended December 31, 2025 and 2024:

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 3,149,110	$ 4,594,239	$ 7,743,349	$ 934,406	$ 4,347,725	$ 5,282,131
Grants and contributions	-	1,087,235	1,087,235	-	59,482	59,482
Current year designations	12,251	-	12,251	2,220,760	-	2,220,760
Investment income, net	202,097	910,092	1,112,189	84,016	537,482	621,498
Amounts appropriated for expenditures	(36,387)	(144,707)	(181,094)	(90,072)	(350,450)	(440,522)
Endowment Net Assets, End of Year	$ 3,327,071	$ 6,446,859	$ 9,773,930	$ 3,149,110	$ 4,594,239	$ 7,743,349

Donor-restricted endowment net assets consist of the following at December 31, 2025 and 2024:

Donor-Restricted Endowments	Corpus	Accumulated Earnings	Total
2025			
E. Schlosser Lewis Endowment Fund	$ 1,354,602	$ 100,000	$ 1,454,602
T. Benton Leadership Fellows Endowment Fund	1,001,190	-	1,001,190
General Endowment Fund	745,515	251,106	996,621
John E. Schowalter, MD Endowment Fund	276,430	365,129	641,559
Leatherman-Drell-Ritvo Endowment Fund	425,000	190,048	615,048
Carlson Psychopharmacology Research Award Endowment Fund	411,752	77,662	489,414
Abramson Endowment Fund	177,805	132,524	310,329
Marilyn B. Benoit Child Maltreatment Award Endowment Fund	199,258	78,444	277,702
Philips Fund for Prevention Endowment Fund	103,055	103,401	206,456
Paramjit Toor Joshi, MD International Scholars Endowment Fund	105,825	76,958	182,783
James C. Harris, MD Developmental Neuropsychiatry Forum Endowment Fund	100,000	60,133	160,133
E. James Anthony Endowment Fund	51,600	59,422	111,022
	$ 4,952,032	$ 1,494,827	$ 6,446,859
2024			
E. Schlosser Lewis Endowment Fund	$ 1,126,873	$ 100,000	$ 1,226,873
General Endowment Fund	745,515	112,347	857,862
John E. Schowalter, MD Endowment Fund	276,230	302,052	578,282
Leatherman-Drell-Ritvo Endowment Fund	350,000	103,629	453,629
Carlson Psychopharmacology Research Award Endowment Fund	411,752	2,478	414,230
Abramson Endowment Fund	177,805	92,445	270,250
Marilyn B. Benoit Child Maltreatment Award Endowment Fund	199,258	37,172	236,430
Philips Fund for Prevention Endowment Fund	103,055	71,523	174,578
Paramjit Toor Joshi, MD International Scholars Endowment Fund	105,825	49,236	155,061
James C. Harris, MD Developmental Neuropsychiatry Forum Endowment Fund	100,000	36,286	136,286
E. James Anthony Endowment Fund	50,500	40,258	90,758
	$ 3,646,813	$ 947,426	$ 4,594,239

NOTE 9 DONOR-RESTRICTED ENDOWMENT AND BOARD-DESIGNATED NET ASSETS (CONTINUED)

Board-designated net assets activity for the years ended December 31, 2025 and 2024, consists of the following:

	Beginning Balance	Current Year Designations and Investment Income	Net Assets Released from Designations	Ending Balance
2025				
Samuel Gelernter Fund	$ 2,214,930	$ 20,234	$ -	$ 2,235,164
Lawrence A. Stone, MD Plenary	171,711	35,508	(8,887)	198,332
Douglas Hansen Annual Review	159,584	30,698	(8,203)	182,079
Virginia Q. Anthony Fund	132,365	40,269	(2,636)	169,998
John F. McDermott Assistant Editor in Residence	132,420	27,560	(1,206)	158,774
John E. Schowalter, MD Resident	109,141	11,616	(525)	120,232
Stubblefield House of Delegates	103,970	22,007	(9,115)	116,862
Noshpitz/Cline History Lecture	88,913	18,820	(4,605)	103,128
Jerry M. Wiener Resident	36,076	7,636	(1,210)	42,502
	$ 3,149,110	$ 214,348	$ (36,387)	$ 3,327,071
2024				
Samuel Gelernter Fund	$ -	$ 2,214,930	$ -	$ 2,214,930
Lawrence A. Stone, MD Plenary	161,818	14,893	(5,000)	171,711
Douglas Hansen Annual Review	152,736	11,848	(5,000)	159,584
John F. McDermott Assistant Editor in Residence	121,444	11,211	(235)	132,420
Virginia Q. Anthony Fund	116,529	16,185	(349)	132,365
John E. Schowalter, MD Resident	99,917	9,224	-	109,141
Stubblefield House of Delegates	95,183	8,787	-	103,970
Noshpitz/Cline History Lecture	83,687	7,726	(2,500)	88,913
Jerry M. Wiener Resident	32,462	3,614	-	36,076
Karl Menninger Plenary	70,630	6,357	(76,987)	-
	$ 934,406	$ 2,304,775	$ (90,071)	$ 3,149,110

NOTE 10 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Academy follows the ASC 820 topic, Fair Value Measurement. The topic applies to all assets and liabilities that are being measured and reported on a fair value basis. The topic establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosure about fair value measurements. The topic enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The topic requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets or liabilities.

Level 2 Observable market-based inputs or unobservable inputs corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

NOTE 10 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

In determining the appropriate levels, the Academy performs a detailed analysis of the assets and liabilities that are subject to the topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. The Academy had no Level 2 or Level 3 investments at December 31, 2025 or 2024.

The table below presents the balances of assets at December 31, 2025 and 2024, measured at fair value on a recurring basis by level within the hierarchy:

		Fair Value Measurements Using		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025				
Money Market Fund	$ 370,914	$ 370,914	$ -	$ -
Mutual Funds				
Diversified Emerging Markets	825,314	825,314	-	-
Foreign Large Value	1,039,498	1,039,498	-	-
Options Trading	1,656,477	1,656,477	-	-
Foreign Large Growth	1,028,672	1,028,672	-	-
Large Blend	13,664,894	13,664,894	-	-
Large Growth	417,694	417,694	-	-
Foreign Large Blend	2,124,537	2,124,537	-	-
Foreign Small/Medium Blend	1,029,982	1,029,982	-	-
Intermediate Core Bond	8,701,594	8,701,594	-	-
Bank Loan	98,925	98,925	-	-
High Yield Bond	146,883	146,883	-	-
Emerging Markets Bond	490,132	490,132	-	-
Tactical Allocation	1,647,528	1,647,528	-	-
	32,872,130	32,872,130	-	-
Total Investments	33,243,044	33,243,044	-	-
Less investments held for endowments	(6,446,859)	(6,446,859)		
Investments	$ 26,796,185	$ 26,796,185	$ -	$ -
December 31, 2024				
Money Market Fund	$ 273,437	$ 273,437	$ -	$ -
Mutual Funds				
Large Blend	12,595,753	12,595,753	-	-
Intermediate-Term Bond	6,248,512	6,248,512	-	-
Tactical Allocation	2,863,443	2,863,443	-	-
Large Growth	1,401,606	1,401,606	-	-
Foreign Large Blend	1,036,836	1,036,836	-	-
Emerging Markets Bond	852,618	852,618	-	-
Small Cap International	750,442	750,442	-	-
World Large-Stock Growth	701,369	701,369	-	-
High Yield Bond	691,507	691,507	-	-
World Large-Stock Blend	667,360	667,360	-	-
Bank Loan	421,601	421,601	-	-
	28,231,047	28,231,047	-	-
Total Investments	28,504,484	28,504,484	-	-
Less investments held for endowments	(4,594,239)	(4,594,239)	-	-
Investments	$ 23,910,245	$ 23,910,245	$ -	$ -

The money market fund and mutual funds are classified as Level 1 instruments, as there are quoted market prices in active markets for identical assets. The fair values for these assets are determined by reference to quoted market prices and other relevant information generated by active market transactions.

NOTE 10 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Net investment income for the years ended December 31, 2025 and 2024 consists of the following:

	2025	2024
Realized and unrealized gain on investments	$ 3,824,131	$ 1,997,018
Dividends and interest	875,209	800,926
	4,699,340	2,797,944
Less management fees	125,244	111,134
	$ 4,574,096	$ 2,686,810

NOTE 11 SUBSEQUENT EVENTS

The Academy has evaluated events and transactions subsequent to December 31, 2025 through June 16, 2026, the date these consolidated financial statements were available to be issued. Based on the definitions of generally accepted accounting principles, management has not identified any events that occurred subsequent to December 31, 2025 that require recognition or disclosure in the consolidated financial statements.

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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*

The Board (Council)
American Academy of Child & Adolescent Psychiatry and Affiliates
Washington, D.C.

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 consolidated financial statements of American Academy of Child & Adolescent Psychiatry and Affiliates (a nonprofit organization, the Academy), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Academy'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 a 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.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Academy's consolidated financial statements are free from 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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
June 16, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

The Board (Council)
American Academy of Child & Adolescent Psychiatry and Affiliates
Washington, D.C.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the Academy'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 the Academy's major federal programs for the year ended December 31, 2025. The Academy'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, the Academy 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, *Uniform 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 the Academy 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 the Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the 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 the Academy's federal programs.

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 the Academy'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 the Academy'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 the Academy'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 the Academy'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 the Academy'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 a 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 of 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.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
June 16, 2026

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor and Program Title	Federal Assistance Listing Number	Direct Federal Award Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
US Department of Health & Human Services					
National Institutes of Health (Direct Awards)					
Drug Use and Addiction Research Programs					
Career Development "K" Award	93.279	5K12DA000357-25	N/A	$ 367,563	$ 356,225
Career Development "K" Award	93.279	5K12DA000357-26	N/A	455,607	398,299
Total Drug Use and Addiction Research Programs				823,170	754,524
Mental Heatlh Research Grants					
Child and Adolescent Psychiatry Research Institute	93.242	5R25MH132513-01	N/A	45,931	25,278
Child and Adolescent Psychiatry Research Institute	93.242	5R25MH132513-02	N/A	160,820	27,940
Total Research and Development Cluster				206,751	53,218
Passed Through: American Academy of Addiction Psychiatry Substance Abuse and Mental Health Services Administration:					
Substance Abuse and Mental Health Services Projects of Regional and National Significance Opioid Response Network: Collaborating, Advancing, Responding, Educating	93.243	1H79TI088037-02	SOT/TOR-24-4	37,461	-
Total Federal Expenditures				1,067,382	807,742

NOTE 1 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Academy 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 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 Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Academy.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Pass-through entity identifying numbers are presented as available.

Indirect Costs

The Academy did not elect to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE STATEMENT OF ACTIVITIES

		2025
Grants and contributions revenue as shown on the Statement of Activities	$	2,929,985
Less: Contributions		(1,754,678)
Less: Non-federal grants		(107,925)
Total 2025 Expenditures on the Schedule of Expenditures of Federal Awards	$	1,067,382

SECTION I SUMMARY OF AUDITOR'S RESULTS

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	X no
Sigificant deficiency(ies) identified that are not considered to be material weakness(es)?	______ yes	X none reported
Noncompliance material to financial statements noted?	______ yes	X no

Federal Awards

Type of auditor's report issued on compliance for major programs:		Unmodified
Internal control over major programs:		
Material weakness(es) identified?	______ yes	X no
Sigificant deficiency(ies) identified that are not considered to be material weakness(es)?	______ yes	X none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	______ yes	X no

Identification of Major Programs:

ALN	Name of Federal Program or Cluster
93.279 and 93.242	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs:	$ 1,000,000	
Auditee qualified as low-risk auditee?	______ yes	X no

SECTION II FINANCIAL STATEMENT FINDINGS

There were no findings related to the consolidated financial statements during the year ended December 31, 2025.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings related to federal awards during the year ended December 31, 2025.

SECTION IV SCHEDULE OF PRIOR AUDIT FINDINGS

There were no findings related to the consolidated financial statements or federal awards during the year ended December 31, 2024.