

Treasurer's Report

APSA Treasurer: Sara Wallace Goodman

APSA's Financial Operations 2024-2025

Overview

The purpose of this report is to inform APSA's Council about the Association's financial health for the 2024-2025 fiscal year. This report provides a brief overview and assessment of APSA's assets and current financial operations.

APSA remains in a sound financial position with ample resources for current and future operations. The combined Fair Market Value of APSA's T&D and CFP Endowment Investments as of June 30, 2025, was \$60.94 million, up 7% from \$57 million on December 31, 2024, due entirely to recent favorable equity and bond market conditions. During early March to mid-April 2025, the Trump Administration's handling of global tariffs shook global markets considerably, but APSA's Investment Committee continued to invest our assets in accordance with the current APSA Investment Policy Statement and have been rewarded for doing so.

As of December 31, 2024, the balance sheet shows unaudited total assets were \$63.4 million. This majority of APSA's year-end asset balance is comprised primarily of \$27.96 million from the Trust & Development Investment Fund and \$29.03 million from the Congressional Fellowship Program Investment Fund. Overall, unaudited year-end total liabilities and deferred revenues remained comparatively low at \$3.4 million, with Deferred Revenue and Trade Payables making up 73% of APSA's liabilities through December 31, 2024. APSA's balance sheet remains strong as indicated by the low debt to equity ratio of 5.76%. The Mortgage Payable to Bank of America was fully repaid on July 1, 2024 – relieving APSA of \$240,000 in annual mortgage payments in the coming years. Further, all tenant net income generated after that date will no longer be reportable and taxable to the IRS on APSA's Annual Form 990-T. During 2025, APSA will receive \$300,000 annually from our tenant's lease agreements.

For the recently ended fiscal year, unaudited operating revenues totaled \$10.3 million – which includes \$1.6 million drawn from APSA's T&D and CFP endowment investments. After consideration of the quarterly 2024 funds drawn from investments, the unaudited change in net assets was up \$270,000 before consideration of endowment investment fund unrealized and realized gains of \$7.38 million. APSA's primary operating revenue sources are membership dues, annual meeting revenues, journals/publications royalties, grant/contract income and endowment interest and dividend income. It is APSA's policy to draw annually up to 4.5% from the Trust & Development Fund and up to 5.5% of the Congressional Fellowship Program to cover related programmatic spending. APSA's quarterly draw from the CFP fund has been historically below the allowable draw rate.

APSA Investments and Net Assets

APSA's investment balances totaled \$60.94 million at June 30, 2025 and \$57 million at December 31, 2024, excluding the net worth of two debt free properties at 1527 New Hampshire Avenue, NW and 1528 M Street, NW in Washington, DC. As of the date of this letter, both properties remain fully occupied by APSA staff or outside tenants. (APSA staff continue to be physically in the office two days a week since July 2022 and hybrid for the remainder of the week).

Below is a summary of Vanguard and Fidelity Investment holdings on December 31 compared to APSA's Investment policy:

	<u>June 30,</u>	<u>December 31,</u>	
T&D and CFP Investments	2025	2024	IPS Target
Domestic Equities	66.0%	66.0%	65%
International Equities	19.8%	18.5%	20
Fixed Income	13.6%	14.7%	15%
Cash	.6%	.8%	0%

APSA reported a combined \$59.94 million in total unaudited net assets at December 31, 2024. Of this net worth, \$5 million is Permanently Restricted (MCI Congressional Fellowship Fund) with \$31.2 million Temporarily Restricted and a remaining \$17.5 million in Unrestricted and Board Designated net assets.

For the six-months ending June 30, 2025, the Dow Jones, S&P 500 and NASDAQ indices were all up 3.6%, 5.5% and 5.5%, respectively. The fixed income market fared better through the second quarter of 2025 with the Bloomberg Aggregate Bond Index returning just over 4%. Both staff and APSA's Investment Committee members meet quarterly with Ian Jones, APSA's outside Investment Advisor, to ensure the portfolio is rebalanced regularly in compliance with the Investment Policy Statement. APSA T&D and CFP endowment investments stood at \$61.9 million on July 31, 2025.

The remainder of 2025 Operations

As we completed the second quarter of 2025, APSA's revenues and expenses continue to perform well versus budget.

APSA's 2025-26 DDRIG NSF award has continued to be funded normally by NSF despite first quarter uncertainties and the presence of DOGE in the federal agencies. However, future federal awards remain uncertain as of the time of this report as we await a congressionally approved and signed 2026 Federal Budget. APSA's primary sources of revenue continue to be membership dues, Annual Meeting registration/sponsorship and exhibitor income, federal and non-federal grant awards and contracts, publication royalties, tenant rent and interest/dividend income.

With the administration's stance during the first quarter of 2025 towards international student and professional scholars who legally reside in the US, the Annual Meeting staff pursued a limited virtual attendance option to allow scholars who have expressed valid concerns about attending the September event in Vancouver, BC in person or concerns that their travel to and from the 2025 Annual Meeting could encounter difficulties, to participate in virtually in the annual meeting. These virtual options could result in increased Annual Meeting expenses. Also, given the uncertain economic conditions faced by our scholars and institutions, we have been monitoring the Annual Meeting registration activity weekly since the close of early bid registration. We remain cautiously optimistic about 2025 Annual Meeting Registrations; as of August 21, 2025, we received 5,309 registrations (517 registrations below the Montreal meeting at the same period) and have put forth increased efforts recently towards marketing for the Annual Meeting.

All other revenue categories are on target to meet the 2025 budget in each of APSA's primary revenue categories – which account for 71% of the overall 2025 APSA operating budget. APSA's major 2025

expense categories: Salary and Fringe Benefits, honoraria/editorial support, awards and Annual Meeting expenses are currently in line with the 2025 Budget.

APSA's 2025 annual external audit is now underway by the independent CPA firm Han Group, who are now in their second year serving APSA. Nancy Johnson, CPA is the partner in charge of APSA's annual external audit. When the external audit is complete, the audit committee will receive a report from the auditor and will present a report to the council.

Summary

Overall, APSA remains in a very strong financial position with ample resources for continued operations. While we did not anticipate that 2025 would prove to be such a challenging year for our members, we will make every effort to ensure their needs are met. Members with questions about APSA finances should contact Stephen Stoupa, CPA, Director of Finance and Administration at sstoupa@apsanet.org or Dr. Kimberly Mealy, Executive Director at kmealy@apsanet.org.