GOVERNANCE

Treasurer's Report

SARA WALLACE GOODMAN | TREASURER
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APSA'S FINANCIAL OPERATIONS 2026 OVERVIEW

The purpose of this report is to inform APSA's Council about the association's financial health for the 2025-2026 fiscal year. This report provides a brief overview and assessment of APSA's assets and current financial operations. APSA's December 31, 2024 final external audit report (with an unqualified opinion – the highest level of assurance and auditor can provide on audited financial statements) and Federal Form 990/990-T (both by Han Group LLC) have been completed/filed and are available upon request from APSA's home office. The December 31, 2025 audit will begin in late July and should be completed by September 2026.

APSA remains in a sound financial position with ample resources for current and future operations. The combined Fair Market Value of APSA's Trust & Development (T&D) and Congressional Fellowship Fund (CFP) Endowment Investments as of April 30, 2026, was $67.57 million, up $2.38 million even after consideration of the first quarter 2026 endowment draws from each fund, from $65.2 million on December 31, 2025, in spite of recent events in the Middle East. The Trump Administration's handling of global trade tariffs, inflation and recent actions in Iran, have shaken the markets, but we will continue to invest our assets in accordance with the current APSA Investment Policy Statement.

At December 31, 2024, APSA's audited balance sheet shows total assets were $62.99 million. This year-end asset balance is comprised primarily of $27.96 million from the T&D Investment Fund and $29.03 million from the CFP Investment Fund. Overall, unaudited year-end total liabilities and deferred revenues remained comparatively low at $3.37 million, with Deferred Revenue and Trade Payables making up 99% of APSA's liabilities through December 31, 2024. APSA's balance sheet remains strong as indicated by the low debt to equity ratio of 5.65%. 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. Furthermore, 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.

For the December 31, 2025 fiscal year, unaudited operating revenues totaled $10.15 million– which includes $2.2 million drawn from APSA's endowment investments. After consideration of the quarterly 2025 funds drawn from investments, the change in net assets was up $225,000 - before consideration of the endowment investment fund unrealized and realized gains for 2025 of $9.3 million. APSA's primary operating revenue sources are membership dues, annual meeting revenues, journals/publications, and grant income. It is APSA's policy to draw annually up to 4.5% from the T&D Fund and up to 5.5% of the CFP to cover related programmatic spending. APSA's draw from the CFP fund has been historically below the allowable draw rate.

APSA INVESTMENTS AND NET ASSETS ON DECEMBER 31, 2025

APSA's investment balances totaled $65.19 million on December 31, 2025, excluding the two debt free properties at 1527 New Hampshire Avenue, NW and 1528 M Street, NW in Washington, DC which are now owned outright by APSA. For the past two years, both properties are fully occupied by APSA staff or outside tenants. Below is a summary of Vanguard and Fidelity Investment holdings on December 31 compared to APSA's Investment policy:

December 31			
T&D and CFP Investments	2025	2024	IPS Target
Domestic Equities	65.2%	66%	65%
International Equities	19.3%	18.5%	20%
Fixed Income	14.5%	14.7%	15%
Cash	1%	.8%	0%

APSA' reported a combined $66.8 million in total unaudited net assets at December 31, 2025. Of this net worth, $5 million is Permanently Restricted (MCI/Verizon Congressional Fellowship Fund) with $36.8 million Temporarily Restricted and a remaining $25 million in Unrestricted and Board Designated net assets.

LOOKING FORWARD TO 2026

As we complete the first quarter of 2026, APSA's equity Investments have struggled recently due to the current conflict with Iran and their corresponding constraints on global energy shipments and other commerce through the Strait of Hormuz, global policy uncertainties, fears of slower economic growth, rising unemployment and inflation and concerns over the Federal Reserve's rate trajectory. For the two-months ending April 30, 2026, the Dow Jones, NASAQ and S&P 500 indices were up 3.3%, 7.1% and 5.3%; respectively, as AI infrastructure spending and Tech earnings have exceeded market expectations. The

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fixed income market has fared reasonably well in the first four months of 2026, with the Bloomberg Aggregate Bond Index returning .28% and iShares Core US Aggregate Bonds yielding 4.35%. Both staff and APSA's Investment Committee meet quarterly with advisors from the Mariner Institution, to ensure the portfolio is rebalanced regularly in compliance with the Investment Policy Statement. APSA's T&D and CFP Investment balances at Vanguard stood at $67.57 million on April 30, 2026. It is hoped that the current conflict with Iran will be short-term in duration and the market stabilizes during the late spring or summer of 2026.

APSA's 2025-26 DDRIG NSF award was funded by NSF despite considerable uncertainty over the past year as the effects of DOGE's efforts instilled considerable doubt and instability over the project's future. The fate of the 2026-29 federal grant award remains uncertain as of the time of this report, in addition to recently released federally mandated policies over acceptance of federal funds, in accordance with the Administration's policy towards DEI.

APSA's primary sources of revenue for 2026 continue to be member dues, APSA Annual Meeting registration/sponsorship and exhibitor income, non-federal grants and contracts, publication royalties, tenant rent and interest/dividend income. Similar to 2025, we remain on target to meet the 2026 budget in each of these primary revenue categories – which account for 73% of APSA's 2026 operating budget. APSA's major 2026 expense categories: Salary and Fringe Benefits, honoraria/editorial support, scholarly and travel awards and APSA Annual Meeting expenses are currently in line with the 2026 Budget. Similar to last year, the annual meeting staff is again pursuing a limited virtual attendance option to allow international scholars who have valid concerns about attending Boston's Annual Meeting in person or that their travel to and from the meeting could encounter difficulties entering the US and returning home. These virtual options may again result in increased annual meeting expenses. Also, given the uncertain economic conditions faced by our scholars and institutions, we will be monitoring the annual meeting registrations, exhibitor and sponsor revenues and will keep Council members apprised of any anticipated revenue shortfalls related to the annual meeting.

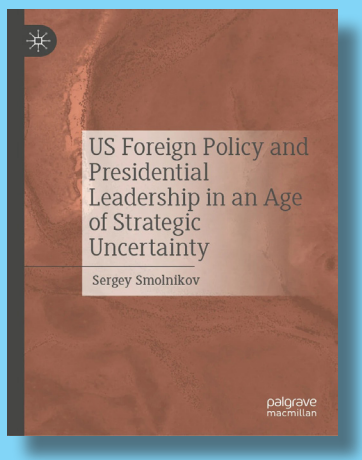
APSA continues to seek more effective operations and higher member satisfaction. APSA is contracting to replace our current AMS (NOAH), which is now more than 10 years old, with reMembers that has improved technology and reporting features and is tailored to APSA's needs. We expect that the new AMS should be ready for activation by late September 2026.

APSA staff continue to be physically in the office two days a week since July 2022 and hybrid for the remainder of the week. APSA's approved 2026 Operating Budget is again estimated for essentially no profit or loss for the year.

SUMMARY

Overall, APSA remains in a very strong financial position with ample resources for continued operations. We expect 2026, much like 2025, to be a turbulent year for our members and 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 at kmealy@apsanet.org. ■

BOOKS BY OUR MEMBERS



US Foreign Policy and Presidential Leadership in an Age of Strategic Uncertainty
Sergey Smolnikov

Palgrave Macmillan



Nuclear North Korea: Strategy and Practice from the Korean War to the New Cold War
Yangmo Ku

Lynne Rienner

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