
**American Psychological Association
and Subsidiaries**

Audited Consolidated Financial Statements

YEARS ENDED DECEMBER 31, 2025 AND 2024



**AMERICAN
PSYCHOLOGICAL
ASSOCIATION**

American Psychological Association and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2025 and 2024

American Psychological Association and Subsidiaries

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Independent Auditor's Report

Board of Directors
American Psychological Association and Subsidiaries
Washington, D.C.

Opinion

We have audited the consolidated financial statements of the American Psychological Association and its subsidiaries (collectively, referred to as "the Association"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, P.C.

July 31, 2026

Consolidated Financial Statements

American Psychological Association, Inc. and Subsidiaries

Consolidated Statements of Financial Position

<i>December 31,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 38,673,939	\$ 35,691,525
Cash and cash equivalents - divisions	13,183,924	12,697,746
Investments - divisions	4,036,827	3,817,384
Accounts receivable	20,323,256	17,123,385
Publications inventory	3,536,249	4,236,700
Other current assets	6,873,666	6,184,405
Assets held for sale	17,499,950	-
Total current assets	104,127,811	79,751,145
Investments	70,914,217	76,661,126
Property and equipment, net	37,891,401	58,839,701
Deferred leasing costs, net	3,344,773	3,730,672
Rental abatements	7,267,196	13,474,916
Restricted cash	17,861,133	17,752,281
Other assets	4,200,250	5,374,601
Total assets	\$ 245,606,781	\$ 255,584,442
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 23,007,813	\$ 23,996,251
Current portion of long-term debt	5,335,050	5,147,721
Amounts collected/held for divisions and other groups	17,320,408	16,297,441
Deferred revenue	49,037,514	43,142,515
Liabilities directly associated with assets held for sale	813,180	-
Total current liabilities	95,513,965	88,583,928
Post-retirement medical benefit obligation	1,172,685	1,168,148
Deferred compensation	6,840,248	6,049,984
Long-term debt, net	100,108,752	105,262,818
Total liabilities	203,635,650	201,064,878
Net assets		
Without donor restrictions:		
Board-designated	16,429,139	18,522,354
Undesignated	25,541,992	35,997,210
Total net assets	41,971,131	54,519,564
Total liabilities and net assets	\$ 245,606,781	\$ 255,584,442

See accompanying notes to consolidated financial statements.

American Psychological Association, Inc. and Subsidiaries

Consolidated Statements of Activities and Change in Net Assets

Year ended December 31,	2025	2024
Revenues		
Licensing, royalties and rights	\$ 97,182,552	\$ 93,463,967
Publications and journal subscriptions	19,604,982	23,679,934
Member dues and fees	8,901,380	8,676,163
Service and application fees	5,878,533	5,808,718
Conference fees	3,322,860	3,460,450
Advertising and other revenue	2,542,728	2,909,977
Grants and contracts	4,496,644	5,004,315
Total revenues	141,929,679	143,003,524
Expenses		
Program services:		
Publication programs	51,657,594	53,245,419
Outreach programs	40,393,313	39,872,708
Policy and research programs	8,846,856	10,004,938
Education programs	7,456,230	10,249,689
Total program services	108,353,993	113,372,754
Support services:		
Management and general	32,413,952	27,960,634
Member recruitment and engagement	5,755,987	2,282,896
Fundraising	333,753	347,148
Total support services	38,503,692	30,590,678
Total expenses	146,857,685	143,963,432
Decrease in net assets, before other (expense) income and impairment loss on assets held for sale	(4,928,006)	(959,908)
Other (expense) income		
Investment return, net	7,170,217	9,441,755
Rental income from buildings	16,359,832	18,929,513
Cost of building operations	(17,929,136)	(20,726,286)
Interest expense	(4,041,354)	(4,222,639)
Provision for income taxes	(167,663)	(6,365)
Total other income	1,391,896	3,415,978
Impairment loss on assets held for sale	(9,012,323)	-
Change in net assets	(12,548,433)	2,456,070
Net Assets, beginning of year	54,519,564	52,063,494
Net assets, end of year	\$ 41,971,131	\$ 54,519,564

See accompanying notes to consolidated financial statements.

American Psychological Association, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses

Year ended December 31, 2025

	Salaries and Employee Benefits	Conference and Other Meeting Expenses	Publication Production Expenses	Professional Fees and Marketing Costs	Honoraria, Grants, and Stipends	Office Business, Depreciation, and Expense Recoveries	Total
Program services:							
Publication programs	\$ 24,419,495	\$ 458,805	\$ 16,189,301	\$ 4,649,948	\$ 2,934,789	\$ 3,005,256	\$ 51,657,594
Education programs	5,424,414	502,628	47,050	940,079	120,124	421,935	7,456,230
Policy and research programs	6,801,876	398,837	-	436,698	278,713	930,732	8,846,856
Outreach programs	27,226,789	5,541,380	606,304	3,629,559	4,387,494	(998,213)	40,393,313
Total program services	63,872,574	6,901,650	16,842,655	9,656,284	7,721,120	3,359,710	108,353,993
Support services:							
Fundraising	25,183	39,179	-	157,785	68,000	43,606	333,753
Member recruitment and engagement	4,194,985	81,307	-	694,854	1,885	782,956	5,755,987
Management and general	19,958,096	194,754	56,542	4,655,607	110,603	7,438,350	32,413,952
Total support services	24,178,264	315,240	56,542	5,508,246	180,488	8,264,912	38,503,692
Total operating expenses	88,050,838	7,216,890	16,899,197	15,164,530	7,901,608	11,624,622	146,857,685
Interest expense	-	-	-	-	-	4,041,354	4,041,354
Cost of buildings operations	-	-	-	-	-	17,929,136	17,929,136
Total expenses	\$ 88,050,838	\$ 7,216,890	\$ 16,899,197	\$ 15,164,530	\$ 7,901,608	\$ 33,595,112	\$ 168,828,175

See accompanying notes to the consolidated financial statements.

American Psychological Association, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses

Year ended December 31, 2024

	Salaries and Employee Benefits	Conference and Other Meeting Expenses	Publication Production Expenses	Professional Fees and Marketing Costs	Honoraria, Grants, and Stipends	Office Business, Depreciation, and Expense Recoveries	Total
Program services:							
Publication programs	\$ 23,829,567	\$ 387,647	\$ 16,059,774	\$ 4,265,077	\$ 2,939,487	\$ 5,763,867	\$ 53,245,419
Education programs	6,856,933	758,021	9,503	903,276	136,062	1,585,894	10,249,689
Policy and research programs	9,966,459	1,107,342	61	781,169	412,123	(2,262,216)	10,004,938
Outreach programs	27,110,818	5,295,489	995,729	3,610,246	4,150,625	(1,290,199)	39,872,708
Total program services	67,763,777	7,548,499	17,065,067	9,559,768	7,638,297	3,797,346	113,372,754
Support services:							
Fundraising	27,536	32,043	-	160,653	116,500	10,416	347,148
Member recruitment and engagement	1,372,398	57,550	-	541,872		311,076	2,282,896
Management and general	16,496,100	401,754	(21,068)	3,443,974	50,160	7,589,714	27,960,634
Total support services	17,896,034	491,347	(21,068)	4,146,499	166,660	7,911,206	30,590,678
Total operating expenses	85,659,811	8,039,846	17,043,999	13,706,267	7,804,957	11,708,552	143,963,432
Interest expense	-	-	-	-	-	4,222,639	4,222,639
Cost of buildings operations	-	-	-	-	-	20,726,286	20,726,286
Total expenses	\$ 85,659,811	\$ 8,039,846	\$ 17,043,999	\$ 13,706,267	\$ 7,804,957	\$ 36,657,477	\$ 168,912,357

See accompanying notes to the consolidated financial statements.

American Psychological Association, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (12,548,433)	\$ 2,456,070
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,241,881	8,150,915
Loss on the disposal of property and equipment	1,089,498	1,685,603
Impairment loss on assets held for sale	9,012,323	-
Amortization	565,333	1,052,560
Net realized and unrealized gains on investments	(4,737,583)	(7,403,379)
Interest on deferred financing costs	180,984	180,984
Changes in operating assets and liabilities:		
Accounts receivable	(3,503,042)	2,496,698
Publications inventory	700,451	706,130
Other current assets	(689,261)	(1,002,032)
Rental abatements	807,185	779,881
Deferred leasing costs	(1,529,009)	(526,295)
Other assets	77,883	43,016
Accounts payable and accrued expenses	(302,272)	1,664,845
Amounts collected/held for divisions and other groups	1,022,967	193,453
Deferred revenue	6,022,013	(3,013,837)
Post-retirement medical benefit obligation	4,537	(23,764)
Deferred compensation	790,264	327,766
Total adjustments	15,754,152	5,312,544
Net cash provided by operating activities	3,205,719	7,768,614
Cash flows from investing activities		
Purchases of investments	(58,917,338)	(24,016,658)
Proceeds from sales and maturities of investments	69,182,387	33,915,411
Purchases of property and equipment	(4,745,603)	(2,811,490)
Net cash provided by investing activities	5,519,446	7,087,263
Cash flows from financing activity		
Principal payments under long-term debt	(5,147,721)	(4,966,975)
Net cash used in financing activities	(5,147,721)	(4,966,975)
Net increase in cash and cash equivalents, cash and cash equivalents - divisions, and restricted cash	3,577,444	9,888,902
Cash and cash equivalents, cash and cash equivalents - divisions, and restricted cash, beginning of year	66,141,552	56,252,650
Cash and cash equivalents, cash and cash equivalents - divisions, and restricted cash, end of year	\$ 69,718,996	\$ 66,141,552
Reconciliation of cash and cash equivalents, cash and cash equivalents - divisions and restricted cash to statements of financial position		
Cash and cash equivalents	\$ 38,673,939	\$ 35,691,525
Cash and cash equivalents - divisions	13,183,924	12,697,746
Restricted cash	17,861,133	17,752,281
Cash and cash equivalents, cash and cash equivalents - divisions, and restricted cash, end of year	\$ 69,718,996	\$ 66,141,552
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 3,845,014	\$ 4,056,472
Cash paid for income taxes	167,663	6,365

See accompanying notes to the consolidated financial statements.

American Psychological Association and Subsidiaries

Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

The American Psychological Association (APA), a District of Columbia not-for-profit corporation, is a national membership organization created to advance psychology as a science and profession and as a means of promoting health, education and human welfare. APA's operations are supported primarily by membership dues, subscriptions, and publication revenue.

In addition to the accounts of APA, the consolidated financial statements include the accounts of the following entities:

APA Services, Inc.

APA Services, Inc. (APASI) is a District of Columbia nonprofit corporation that was created by APA to promote the mutual professional interests of practicing psychologists and focuses on advocating for the entire discipline and profession of psychology.

APASI's membership consists of all members of APA that are in good standing. The Council has approved the 2025 and 2024 membership dues be allocated 60% to APASI and 40% to APA, respectively. The allocation percentage for membership dues between APA and APASI is reviewed and voted on annually.

The APASI Political Action Committee (the PAC) was created in 2012 to provide the opportunity for individuals interested in the future of the psychology profession to contribute to the support of candidates for federal office who believe in, and have demonstrated their beliefs in, the principles to which the profession is dedicated. The PAC is organized and operates in compliance with the Federal Election Campaign Act of 1971. The PAC is a non-profit, unincorporated political committee that operates as a separate, segregated fund.

APA 750 LLC and Subsidiary

APA 750 LLC (APA 750) was formed on November 13, 2002, under the laws of the State of Delaware. APA is the sole member of APA 750. APA 750 was formed to own and operate a commercial office building containing approximately 385,000 square feet in Washington, D.C.

APA 750 created a subsidiary named Conference Center LLC (CCLLC or Spire) which was formed on July 28, 2014, under the laws of the State of Delaware. The purpose of CCLLC is to lease space from APA 750 for a conference center facility on the top floor of the building located at 750 First Street, as well as to manage the rental of the conference center to tenants and outside third parties. APA 750 is the sole member of CCLLC.

APA Ten G LLC

APA Ten G LLC (APA Ten G) was formed on November 12, 2002, under the laws of the State of Delaware. APA Ten G is 100% owned by APA. APA Ten G was formed to own and operate a commercial office building containing approximately 270,660 square feet in Washington, D.C.

American Psychological Association and Subsidiaries

Notes to Consolidated Financial Statements

Principles of Consolidation

The consolidated financial statements of the Association include the accounts of the subsidiaries described above. All interorganizational transactions, which consist primarily of contracted services, rent, and interorganizational borrowings and advances, are eliminated in consolidation.

The significant accounting policies followed by APA and its consolidated subsidiaries (collectively referred to as the Association) are described below.

Basis of Accounting

The consolidated financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of consolidated financial statements in conformity with 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 revenues and expenses during the reporting period. Accordingly, upon settlement, actual results could differ from those estimates.

Measure of Operations

APA's income includes all licensing, royalties and rights; publications and journal subscriptions; member dues and fees; conference and accreditation fees; grants and contracts; and advertising and other revenues and expenses critical to APA's mission. Investment return, net, interest expense related to long-term debt, provisions for income taxes, income and costs from building operations, and certain other non-recurring transactions are considered to be other income (expense).

Cash Equivalents

APA considers investments with original maturities of three months or less to be cash equivalents and excludes cash equivalents held temporarily for long-term investment purposes by investment custodians. Cash equivalents consist primarily of commercial paper and money market funds.

Restricted Cash

Amounts included in restricted cash represent funds set aside from the proceeds of a loan for the payment of tenant improvements, leasing commissions, and other lease-related costs for the future renewal or replacement of a large existing tenant lease. The funds are held in an interest-bearing escrow account by the lender, and all risk of loss with respect to the principal amount is at the sole risk of APA Ten G (see Note 7).

American Psychological Association and Subsidiaries

Notes to Consolidated Financial Statements

Accounts Receivable

Accounts receivable consists of amounts billed to customers for goods and services provided by year-end. Licensing receivables for annual licenses of electronic products for which the service period has commenced represent approximately 77% and 73% of total accounts receivable balance at December 31, 2025 and 2024, respectively.

The Association records an allowance for expected credit losses based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term), which for accounts receivable is usually less than one year.

Accounts receivable are written off when the Association determines that such receivables are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the reporting date.

The Association pools its accounts receivable based on similar risk characteristics in estimating expected credit losses. In situations where certain accounts receivable does not share the same risk characteristics with other accounts receivable, the Association measures those receivables individually. The Association evaluates such pooling decisions and adjusts annually, as needed, as risk characteristics change.

The Association determines its estimated credit losses for accounts receivable using an expected loss rate approach based on the accounts receivable aging schedule in determining its lifetime expected credit losses on its receivables from customers. This method is used for calculating an estimate of losses based primarily on the Association's historical loss experience by accounts receivable aging bucket. In determining its loss rates, the Association evaluates information related to its historical losses, adjusted for current conditions, and further adjusted for the period of time that the Association can reasonably forecast. For the period of time beyond which the Association can reasonably forecast, reversion to historical loss experience is applied based on the facts and circumstances as of the reporting date. The Association is able to reasonably support a forecast period for one year after the consolidated statement of financial position date. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider the following risk characteristics: age of the receivable, changes in the Association's evaluation of the customers' creditworthiness, and the current and forecasted direction of the economic and business environment.

No allowance for credit losses was made for the years ended December 31, 2025 and 2024. During the years ended December 31, 2025 and 2024, the Association wrote off receivables amounting to \$731,746 and \$1,562,776, respectively.

Publications Inventory

Inventory consists primarily of books available for sale. APA records inventory at lower of cost, at the time of purchase or net realizable value. Annually, inventory value is reviewed and items with net realizable value less than cost are written off.

American Psychological Association and Subsidiaries

Notes to Consolidated Financial Statements

Assets Held for Sale

The Association classifies non-current assets (or disposal groups) as held for sale when their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This classification is made only when management is committed to a plan to sell the asset, the asset is available for immediate sale in its present condition, and the sale is probable to be completed within one year from the date of classification.

Upon classification as held for sale, the asset (or disposal group) is measured at the lower of its carrying amount or fair value, less costs to sell. Any initial or subsequent write-down to fair value less costs to sell is recognized as an impairment loss in the consolidated statements of activities and change in net assets. Depreciation (or amortization) of the asset ceases upon classification as held for sale.

Assets held for sale are presented separately in the consolidated statements of financial position. Any liabilities directly associated with the assets held for sale are also presented separately. The Association reviews the status of assets classified as held for sale at each reporting date to ensure continued compliance with the held for sale criteria. If the criteria are no longer met, the asset is reclassified and measured in accordance with the applicable accounting standards.

Investments

Investments in equity securities, common stocks and mutual funds are reported at fair value in the consolidated statements of financial position based on quoted market prices. Investments are exposed to certain risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities and volatility in the capital markets, changes in the value of investment securities could occur in the near term, and these changes could materially differ from the amounts reported in the accompanying consolidated financial statements.

Investment return earned is presented net of related investment fees. Investment return, including changes in market value, is reported in the consolidated statements of activities and change in net assets as an increase or decrease in net assets without donor restrictions unless their use is restricted by donor stipulation. Changes in market value of investments as well as dividends and interest are reported as investment return (loss) in the accompanying consolidated statements of activities and change in net assets.

Property and Equipment

The Association's policy is to capitalize property and equipment purchases in excess of \$25,000. Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Buildings and improvements are amortized from the dates that the related buildings and improvements were substantially completed using the straight-line method over estimated useful lives not to exceed 40 years. Tenant improvements are amortized over the term of the tenants' leases. Furniture, fixtures, and equipment are depreciated on a straight-line basis over their estimated useful lives, which range from three to ten years. Land is not depreciated or amortized.

American Psychological Association and Subsidiaries

Notes to Consolidated Financial Statements

Valuation of Long-Lived Assets

The Association provides for the valuation of long-lived assets and reviews for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of their carrying amounts to future undiscounted net cash flows they are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which their carrying amounts exceed their estimated fair values.

Assets held for sale or to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. As described in Note 5, certain long-lived assets are included in a held-for-sale disposal group for which the Association recorded an impairment loss for the year ended December 31, 2025. No indicators of impairment were identified for the year ended December 31, 2024.

When assets are sold or retired, the related cost and accumulated amortization and depreciation are removed. Any gains or losses resulting from disposition are credited or charged to operations. Expenditure for repairs and maintenance are expensed as incurred.

Deferred Leasing Costs

Deferred leasing costs consist of commissions, fees, and costs incurred in the successful negotiation of leases. These costs are deferred and amortized on a straight-line basis over the terms of the respective leases. As of December 31, 2025 and 2024, deferred leasing costs totaled \$3,344,773 and \$3,730,672, respectively, net of accumulated amortization of \$5,892,243 and \$15,394,243, respectively, and are presented in the accompanying consolidated statement of financial position.

In addition, as of December 31, 2025, deferred leasing costs of \$1,349,575, net of accumulated amortization of \$12,663,701, are included in the assets held for sale in the accompanying consolidated statement of financial position. As described in Note 5, APA Ten G's deferred leasing costs are included in a held-for-sale disposal group for which the Association recorded an impairment loss during the year ended December 31, 2025.

Amortization expense related to deferred leasing costs was \$565,333 and \$1,052,560 for the years ended December 31, 2025 and 2024, respectively.

Deferred Financing Costs

Deferred financing costs consist of fees and costs incurred to obtain long-term financing and are amortized over the term of the related financing agreement using the effective interest method. The amortization of these costs is included in interest expense in the accompanying consolidated statements of activities and change in net assets. Deferred financing costs are netted with the long-term debt balance in the accompanying consolidated statements of financial position. Deferred financing costs of \$1,431,927 and \$1,612,911 are recorded net of accumulated amortization of \$711,639 and \$960,964 at December 31, 2025 and 2024, respectively. Interest expense was \$180,984 for each of the years ended December 31, 2025 and 2024.

American Psychological Association and Subsidiaries

Notes to Consolidated Financial Statements

Net Assets

All of APA's net assets are without donor restrictions. Net assets without donor restrictions are those net assets that are not subject to donor or grantor-imposed restrictions. These net assets also include board-designated net assets.

Net Assets Without Donor Restriction - Undesignated

APA's and APASI's net assets are classified as without donor restrictions and result from revenues derived from providing goods and services, less expenses incurred in providing goods and services and performing administrative functions.

Net Assets Without Donor Restriction - Board-designated

Board-designated net assets consist of the following:

<i>December 31,</i>	2025	2024
Strategic investments	\$ 8,554,803	\$ 10,280,702
750 debt reserve	4,188,274	3,932,941
APAIT business agreement	2,307,576	2,307,576
Accreditation stabilization	1,378,486	2,001,135
	\$ 16,429,139	\$ 18,522,354

The strategic investment fund is to provide support for transformational changes in the Association over the next five years. The 750 debt reserve fund is to provide a reserve fund for possible long-term cash shortfalls for APA and APA 750 LLC. The American Psychological Association Insurance Trust (APAIT) business agreement was established in 2013 to set aside the revenue received consistent with an agreement with the APAIT for future expenditures as determined by the Board of Directors. The accreditation stabilization designation was established to moderate fees charged for accreditation over time.

Functional Expenses

The Association is a national membership organization created to advance psychology as a science and profession and as a means of promoting health, education, and human welfare. APASI promotes and advocates on behalf of the discipline of psychology and the professions of psychologists in scientific, educational, public interest, health service practice, and applied practice settings. The Association's expenses related to providing these program services are categorized as follows:

- The publication program services relate to the Association's Publishing Office. This office reflects the field of psychology by publishing current psychological knowledge in both print and electronic formats. These products—written for researchers, therapists, students, academics, related professionals, and the general public—include scholarly journals and books, trade and reference books, children's books, research databases, and psychotherapy training videos.
- The outreach program services relate primarily to the Association's Membership Office and Public Interest directorates. The Membership Office is focused on making membership in APA even more valuable and enjoyable. This office supports the efforts to attract and

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acquire new members, while also retaining and engaging the current members. This office commits energy and resources to strengthen the ties between APA and its 56 Membership Divisions. The Public Interest directorate applies the science and practice of psychology to the fundamental problems of human welfare and social justice. Through education, training and public policy, we promote equitable and just treatment of all segments of society; encourage the advancement of equal opportunity; foster empowerment of those who do not share equitably in society's resources.

- The policy and research program services relate primarily to the Association's Science and Practice directorates. The Science directorate works to advance the discipline of psychological science and to represent and meet the needs of psychological scientists at all training and career stages. Its programs include science policy and government relations, research ethics, psychological testing and assessment, scientific awards, summer research training, and communications with the scientific community and general public. The Practice directorate promotes the practice of psychology and the accessibility and availability of mental and behavioral health services through legislative, regulatory and judicial advocacy, public education and outreach, and research. The Practice Directorate helps develop policies and guidelines for the delivery of psychological services as well as educational material for psychologists and the public.
- The education program services relate primarily to the Association's Education Directorate. This directorate seeks to advance education and training in psychology and the application of psychology to education and training by enhancing the quality of teaching and learning outcomes at all levels; meeting the demands of the changing demographics in a multicultural society; and increasing the level and availability of financial and public policy support.

The costs of providing the Association's programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and change in net assets and by natural and functional classification in the consolidated statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classifications. Certain categories of expenses are attributable to one or more program or supporting functions of the Association. Accordingly, certain management and general costs have been allocated among program services, fundraising and membership recruitment and engagement.

Expense	Method of Allocation
Depreciation and amortization	Square footage
Space allocation	Square footage
Benefit Allocation	Year-to-date salary and direct costs

Income Taxes

APA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and from District of Columbia franchise tax under applicable tax regulations, except for income from activities not related to its tax-exempt purpose, which primarily includes its share of income from APA Ten G and a portion of its income from APA 750. APA is not a private foundation under Section 509(a)(1) of the IRC.

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APASI is a nonprofit organization and is exempt from federal income taxes under Section 501(c)(6) of the IRC on income other than unrelated business income. APASI is subject to income tax in the District of Columbia on its unrelated business income. APASI had no significant unrelated business taxable business income during the years ended December 31, 2025 and 2024. The PAC is generally exempt from federal income tax under Section 527 of the IRC. However, investment income earned on PAC funds is subject to federal and District of Columbia income taxes. The PAC generated no taxable income for the years ended December 31, 2025 and 2024.

APA 750, APA Ten G and CCLLC are generally not subject to income taxes due to their tax status as disregarded entities. As such, the income, deductions, credits, and other tax attributes of the LLCs flow directly to the sole member (i.e., APA).

APA recognizes tax liabilities when management's belief that tax return positions are supportable. APA believes that certain positions may not be fully sustained upon review by tax authorities. Benefits from tax positions are measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences impact income tax expense in the period in which such determination is made. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense. APA is generally no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended December 31, 2021 and prior. Management has evaluated APA's tax positions and has concluded that APA has taken no material uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Fair Value of Financial Instruments

The fair value of the Association's cash and cash equivalents, accounts receivable, other current assets, accounts payable and accrued expenses, and other accrued liabilities approximate their carrying amounts due to the relatively short maturity of these items.

Concentrations of Credit Risk

The Association's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments and accounts receivable. The Association places its cash and investments in various financial institutions that are federally insured under the Federal Depositary Insurance Corporation Act (FDIC) and Securities Investor Protection Corporation (SIPC). However, at various times, the aggregate balances may exceed federally insured limits. The Association has never experienced any losses on its cash and cash equivalents nor its investments to date related to these balances. The Association's cash and cash equivalents amounts in deposit in excess of federally insured limits at December 31, 2025, approximate \$20,000,000.

The Association's applicable investment aggregate balances were in excess of the SIPC insurance limits by approximately \$89,600,000 at December 31, 2025. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances, and the amounts reported in the accompanying consolidated statements of financial position.

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The Association's accounts receivable consists primarily of amounts due from various licensees and institutions of higher education. Historically, the Association has not experienced significant losses related to accounts receivable and, therefore, believes that the credit risk related to accounts receivable is minimal.

Post-Retirement Medical Benefit Plan

APA is required to fully recognize the overfunded or underfunded positions (the difference between the fair value of plan assets and the benefit obligation) of the postretirement medical benefit in the consolidated statements of financial position. The guidance also requires employers to recognize the actuarial gains and losses and the prior service costs and credits that arise during the period (See Note 6).

Recent Accounting Pronouncement Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, to enhance the transparency and decision usefulness of income tax disclosures. Specifically, all entities are required to disclose additional information about income taxes paid, including income tax expense (net of refunds received) disaggregated by federal (national), state, and foreign taxes. The ASU is effective for annual periods beginning after December 15, 2025. Early adoption is permitted. The Association is evaluating the effect that adoption of this new standard will have on the Association's consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU provides a practical expedient for entities to assume that current conditions as of the balance sheet date remain unchanged for the remaining life of current accounts receivable and current contract assets when measuring expected credit losses under CECL. The practical expedient does not apply to other types of receivables or loans. Additionally, entities other than public business entities may elect an accounting policy to consider subsequent collections received after the balance sheet date in estimating expected credit losses, provided the practical expedient is elected. ASU 2025-05 is effective for annual periods beginning after December 15, 2025, with early adoption permitted. The Association is currently evaluating the impact of this ASU on its consolidated financial statements.

2. Revenue Recognition

APA's significant revenue recognition policies are described below:

Contracts with Customers

APA recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration APA expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, APA combines it with other performance obligations until a distinct bundle of goods or services exists. APA management expects that the period between when APA transfers goods and services to their customers and when the customers pay for those goods and services will be one year or less. Therefore, APA has elected the practical expedient not to adjust the promised amount of consideration for the effect of a significant financing component. Amounts received in advance of services performed, but not yet earned, are held and recorded as deferred revenue, unless otherwise noted below. Invoices

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resulting from APA's contracts with customers are generally due within 30 to 90 days of the invoice date.

Licensing, Royalties, and Rights

Royalties

APA grants customers a license to use APA's copyrighted products in exchange for royalty payments. The copyrighted products represent functional intellectual property which has significant stand-alone functionality and there is no expectation that APA will undertake activities to change the functionality of the content during the license period. The contract with customers for copyrighted products is considered under specific licensing guidance and the right to use the intellectual property is satisfied at a point in time, either when the copyrighted product is transferred to the customer, or when the customer subsequently sells the copyrighted product in a sale-based royalty arrangement.

Licensing

APA grants customers a license to access APA's copyrighted electronic products in exchange for an agreed-upon fee. The copyrighted electronic products represent symbolic intellectual property which does not have significant stand-alone functionality as the usefulness of the electronic product to the customer is serviced with APA's on-going business activities to support and maintain the value of the electronic product. The right to access the intellectual property is satisfied over time as APA fulfills its promise to grant the customer the right to access the electronic product and as APA supports and maintains the platform through which the product is delivered. Certain of APA's licensing contracts are considered under the licensing guidance or considered software as a service "SaaS" agreement. This distinction is dependent on the platform on which the electronic product is delivered. A customer who purchased a licensed electronic product under a SaaS agreement is delivered on an APA-supported software platform called APAPsys Net. For contracts considered under the licensing guidance, APA established business partnerships with other vendors who can deliver the licensed electronic product using their software platform. The revenue associated with these services is recognized over time using an output method that ultimately result in straight-line recognition over the entire access period.

The composition of licensing, royalties, and rights revenues is as follows:

<i>December 31,</i>	2025	2024
Licensing	\$ 96,158,254	\$ 92,419,800
Royalties and rights	1,024,298	1,044,167
Total licensing, royalties, and rights	\$ 97,182,552	\$ 93,463,967

Publications and Journal Subscriptions

Publications

APA publishes and sells scholarly, trade, and reference books in exchange for a fixed transaction price. A customer may enter into a contract with APA to purchase book publications in bulk with the intent to resell. These customers receive a specified discount related to the bulk purchase. For customers that purchase directly from APA, the book retail price is fixed at the time of purchase.

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Control of the product is transferred from APA to the customers when the customers receive the ordered shipment. Therefore, revenue for all book publications is recognized at the point in time when the customers receive the shipment. Some of these contracts may include additional services, such as advertising services to promote APA products. These advertising costs are recorded in professional fees and marketing costs in the accompanying consolidated statements of functional expenses.

APASI offers an online job posting resource for employers in the field of psychology. APASI recognizes revenue in an amount equal to the amount APASI has the right to invoice when the posting appears in the website or multi-channel offering. APASI has concluded they have a right to consideration from the customer in an amount that corresponds directly to the value to the customer of the job posting services performed by APASI.

Journal Subscriptions

APA publishes and sells scholarly psychological journals in the form of annual subscriptions in exchange for a fixed transaction price. The subscription pricing is fixed at the time of purchase. There are certain situations where a customer will receive a complimentary issue. Management determined the complimentary issue is immaterial to APA's consolidated financial statements. Therefore, APA has elected the practical expedient to not assess whether certain promised goods or services are performance obligations if they are immaterial in the context of the contract with the customer. Control of the product is transferred from APA to its customers when each separate journal issue is made available to a customer. Therefore, revenue for publications and journal subscriptions is recognized at the point in time when the separate journal issues are made available.

The composition of publications and journal subscriptions is as follows:

<i>December 31,</i>	2025	2024
Publications	\$ 13,465,351	\$ 17,059,070
Journal subscription	6,069,845	6,535,597
Shipping charges	69,786	85,267
Total journal subscriptions and publications	\$ 19,604,982	\$ 23,679,934

Member Dues and Fees

Amounts charged by APA to members for the general rights of membership, includes access to the members-only section of APA's website; advocacy representation for members on issues affecting psychology; one-year subscription to certain psychology publications; annual credit towards additional journal subscriptions; and providing access to valuable training, resources, and information. Although APA does not execute a contract with its members, management considers payment of annual dues, based on prices determined by APA, to constitute member acceptance of the offered benefits. Within the membership benefits described above, annual credits towards additional journal subscriptions and access to training, resources and information are considered marketing offers and are accounted for only when the member exercises the option to purchase the additional goods or services. The remaining performance obligations are satisfied over the membership period, using the input method, which coincides with APA's reporting period. Member dues and fees are reported in the accompanying consolidated statements of activities and change in net assets totaling \$8,901,380 and \$8,676,163 as of December 31, 2025 and 2024, respectively.

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Service and Application Fees

APA enters into arrangements with customers to provide certain services that provide reciprocal value to the customer. These services include customers seeking accreditation and continued education sponsor approval (CESA) from APA.

Universities and other organizations seek accreditation and sponsor approval from APA, which is considered the benchmark for measuring the quality of a university's psychology education program or other organizations continued education program for psychologists. APA's accreditation/sponsor process includes the review of the organization or university's application, as well as a site visit to the university seeking accreditation to assess the quality of the psychology education program. The application process and the site visit are two distinct performance obligation within the contract. The revenue is recognized by the Association at the point in time when these two distinct performance obligations are satisfied which occurs when the application is submitted and when the site visit is complete.

In addition to the initial accreditation process, a customer typically renews their accreditation and sponsor approval status annually. While the accredited/sponsor period is one year, the university and other organization consumes all benefits at the time of approval of the renewal. Therefore, APA has concluded the performance obligation related to the maintenance of accreditation and sponsor approval status is satisfied when the invoice for the annual renewal fee is made available to the customer. Therefore, the revenue will be recognized at a point in time when the customer is invoiced.

The composition of service and application fees is as follows:

<i>December 31,</i>	2025		2024	
Accreditation	\$	5,501,125	\$	5,417,162
CESA		377,408		391,556
Total service and application fees	\$	5,878,533	\$	5,808,718

Conference Fees

APA holds and sponsors events throughout the year, such as APA's annual convention, that require the purchase of registration fees or sponsorship proposals. Performance obligations are satisfied at the time of the conference, when the services are transferred. Conference fees are reported in the accompanying consolidated statements of activities and change in net assets totaling \$3,322,860 and \$3,460,450 as of December 31, 2025 and 2024, respectively.

For registration fees, discounts are offered to members as part of their membership and to others for early payment depending on the time of purchase. Refunds are allowed for registrations within 30 days before the convention. Refunds have not been significant based upon a historical analysis performed, and therefore, no refund liability has been recorded. Payment is primarily due at the time of purchase.

Event sponsorship and exhibitions includes revenue received from exhibit space and sponsorship related to APA's annual convention. Sponsors and exhibitors receive benefits such as complementary registrations, name recognition within certain APA publications, various degrees of advertising opportunities, and other benefits during the conference. The advertising opportunities are material

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rights and are recognized when the right is exercised or expires. There are several levels of sponsorship, and benefits vary by level of sponsorship for the APA conference. Refunds are not allowed for sponsorships and payment is due at the time of purchase. Based on the terms of the contract, exhibitors may receive a refund if the request for the refund is received, in writing, no later than three months before the start of the convention. Refunds are not significant based on a historical analysis performed. Therefore, no refund liability has been recorded. Payment is primarily due at the time of purchase.

Advertising and Other Revenue

APA offers a variety of monthly printed journals and digital newsletters targeted to different audience segments. Organizations can advertise in any of these publications or digital products. APA recognizes revenue in an amount equal to the amount APA has the right to invoice when the advertisement appears in the publication or when the impressions on APA's website are delivered. APA has concluded they have a right to consideration from the customer in an amount that corresponds directly to the value to the customer of the advertising services performed by APA.

As part of APA's membership benefits, business partnerships may be formed to provide members the ability to purchase products and services from industry providers at a discount. In return for marketing the program to members, APA receives a royalty payment based on the total purchases of products or services by APA's members as defined in the contract. This variable element of consideration is recognized in the year the sales occur. Payment is typically received within a couple months after year end and is accrued for in the year the sale occurred.

The composition of advertising and other revenue is as follows:

<i>December 31,</i>	2025	2024
Advertising	\$ 1,550,361	\$ 1,313,481
Affinity program revenue	203,162	242,981
Contributions (see below)	433,125	430,453
Other revenue	356,080	923,062
Total advertising and other revenue	\$ 2,542,728	\$ 2,909,977

Revenue Accounted for as Contributions

Within the accompanying consolidated statements of activities and change in net assets, grants and contracts revenue consist of the following:

Grants and Contracts

Grants awarded by federal agencies are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes, and revenue is recognized when qualifying expenditures are incurred and conditions under the grant agreements are met. APA recorded revenue from federal grants totaling \$4,441,888 and \$4,948,909 in 2025 and 2024, respectively. There were no outstanding performance obligations, unrecognized funds, or unspent federal funds at December 31, 2025 and 2024.

At December 31, 2025 and 2024, APA had remaining available award balances on the federal grants and contracts of \$1,992,977 and \$5,100,293, respectively. These award balances are not recognized

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as assets and will be recognized as revenue as the project progress and conditions are met, generally as expenses are incurred. APA has awarded conditional grants to subrecipients related to performance of federal sponsored projects, which have outstanding commitments of up to \$49,498 and \$210,460, as of December 31, 2025 and 2024, respectively.

Rental Income from Buildings

Certain tenant leases contain rental abatement provisions and rental rate escalation clauses. The aggregate rent payments due over the lives of the leases are recognized as rental revenue on a straight-line basis over the full term of the leases. The differences between cash rental revenues received and rental revenues due from tenants over the lives of the leases using a straight-line calculation are recorded as rental abatements with a corresponding offset to current period rental revenue. As of December 31, 2025 and 2024, rental abatements total \$7,267,196 and \$13,474,916, respectively, and are reported in the accompanying consolidated statements of financial position.

Rental income from buildings is reported in the accompanying consolidated statements of activities and change in net assets totaling \$16,359,832 and \$18,929,513 for the years ended December 31, 2025 and 2024, respectively.

3. Liquidity and Availability of Resources

The following represents the Association's financial assets available within one year of the consolidated statements of financial position date for general expenditures:

	2025	2024
Financial assets available for general use at year-end:		
Cash and cash equivalents	\$ 38,673,939	\$ 35,691,525
Accounts receivable	20,323,256	17,123,385
Investments	70,914,217	76,661,126
Less: financial assets not available for general expenditures within one year - Board designated net assets	(16,429,139)	(18,522,354)
Financial assets available to meet cash needs for general expenditures within one year	\$ 113,482,273	\$ 110,953,682

APA investments can be liquidated immediately upon management's request. The APA board designated a certain amount of the investment portfolio to be set aside for board approved projects and initiatives. All APASI investments can be liquidated immediately upon management's request. The APASI board designated a certain amount of the investment portfolio to be set aside set aside for board approved projects and initiatives.

APA does consider cash and cash equivalents and investments related to divisions as those are not considered to be available for general expenditures. See Note 8 for additional information related to related party transactions. To further supplement liquidity, the Association has a \$20,000,000 loan management account with a bank, which it can draw upon if conditions dictate. See Note 7.

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4. Property and Equipment

	2025	2024
Land	\$ 6,596,734	\$ 9,705,321
Buildings and improvements	20,711,920	18,642,552
Buildings and improvements - leased out to tenants (Note 8)	76,125,742	131,845,118
Furniture, fixtures, and equipment	37,664,018	37,218,227
	141,098,414	197,411,218
Less: accumulated depreciation and amortization	(103,207,013)	(138,571,517)
Property and equipment, net	\$ 37,891,401	\$ 58,839,701

Depreciation and amortization expense on property and equipment totaled \$6,241,881 and \$8,150,915 for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, APA Ten G's property and equipment is included in a held-for-sale disposal asset group described in Note 5.

5. Assets held for sale

In February 2025, APA's Council of Representatives approved the pursuit of the sale of the Property managed by APA Ten G in response to prevailing real estate market conditions. The Property was formally listed for sale in June 2025 and APA Ten G entered into an access agreement with the prospective buyer in November 2025. Accordingly, as of December 31, 2025, the property, including certain related assets and liabilities (collectively, the "disposal group") was classified as real estate held for sale and liabilities directly associated with real estate held for sale.

As a result of the pending sale, an impairment loss of \$9,012,323 was recorded to measure the real estate held for sale at the lower of its' carrying amount or fair value, less costs to sell, and has been included in the consolidated statements of activities and change in net assets as impairment loss on real estate held for sale.

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At December 31, 2025, the disposal group was comprised of the following:

Assets held for sale:

Land	\$	3,108,587
Building and improvements, net of accumulated depreciation of \$40,361,245		15,253,937
Accounts receivable		303,171
Rental abatements		5,400,535
Deferred leasing costs, net		1,349,575
Other assets		1,096,468
Impairment loss on assets held for sale		(9,012,323)

Total assets held for sale	\$	17,499,950
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Liabilities directly associated with assets held for sale

Accounts payable and other accrued liabilities	\$	686,166
Unearned rent		127,014

Total liabilities directly associated with assets held for sale	\$	813,180
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Subsequent to year-end, in February 2026, the LLC completed the sale of the Property and its interests in certain leases, contracts, and permits for \$17,750,000. In connection with the sale, the LLC and its lender entered into a Discounted Payoff Agreement, pursuant to which the LLC's obligation under its 10-year term note was satisfied.

6. Benefit Plans

401(k) Plan

APA provides a defined contribution retirement plan (the Plan) that is a savings plan operating under Section 401(k) of the IRC for all employees who are over the age of 21. The purpose of the Plan is to provide retirement benefits for participating employees. Under the Plan, APA makes contributions to an insurance company based on a percentage of the payroll of covered employees. The contributions, together with voluntary employee contributions, are used to purchase annuities and other investments, the rights to which immediately vest with the employees. APA recorded contributions to the Plan of \$3,536,990 and \$3,468,384 for the years ended December 31, 2025 and 2024, respectively.

Post-Retirement Medical Benefit Plan

In 2004, APA established a post-retirement medical benefit plan for employees with 15 years of service who retire at or after age 59 1/2. Spouses are eligible for coverage when the retiree obtains coverage. Retiree and spouse coverage ends when each becomes eligible for Medicare. Effective January 1, 2007, the post-retirement medical benefit was modified to close this benefit to employees who were not hired prior to January 1, 2008.

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APA's post-retirement medical benefit obligation was \$1,172,685 and \$1,168,148 as of December 31, 2025 and 2024, respectively. These amounts are reflected as a non-current liability in the accompanying consolidated statements of financial position.

The following table presents the change in post-retirement medical benefit obligations in the consolidated statements of financial position:

<i>Years ended December 31,</i>	2025	2024
Changes in benefit obligations:		
Benefit Obligations, beginning of the year	\$ 1,168,148	\$ 1,191,912
Service costs	24,135	26,503
Interest cost	62,230	57,987
Actuarial loss	41,488	10,527
Benefits paid	(123,316)	(118,781)
Benefit obligations, end of the year	\$ 1,172,685	\$ 1,168,148

The post-retirement medical benefit cost is included in salaries and employee benefits expense in the accompanying consolidated statements of functional expenses and is comprised of the following:

<i>Years ended December 31,</i>	2025	2024
Service cost	\$ 24,135	\$ 26,503
Interest cost of the projected benefit obligation	62,230	57,987
Amortization of unrecognized prior service cost	(106,564)	(131,028)
Net periodic post-retirement benefit cost	\$ (20,199)	\$ (46,538)

For 2025 and 2024, the discount rate used in the calculation of the projected benefit obligation and cost was 5.5%. Assumed health care cost trend rates are as follows:

<i>Years ended December 31,</i>	2025	2024
Healthcare cost trend rate assumed for next year	9.0%	9.00%
Rate to which the cost trend rate is assumed to increase	5.5%	5.5%
Year that the rate reaches the ultimate trend rate	2046	2045

As of December 31, 2025, the following post-retirement medical benefit payments are expected to be paid:

<i>Years ending December 31</i>	
2026	\$ 167,000
2027	191,000
2028	199,000
2029	176,000
2030 - 2035	788,000

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Section 457(b) Plan

APA provides a defined contribution retirement plan (the 457(b) Plan) under Section 457(b) of the IRC. To be eligible to participate, an employee must have an employment contract with APA and a base annual salary of \$110,000 or greater. The 457(b) Plan allows eligible employees to contribute up to 25% of their gross earnings on a pretax basis, subject to IRC limitations. There are no employer matching contributions. Employee contributions are remitted to an insurance company and are used to purchase annuities and other investments. Until paid or made available to the participant or beneficiary, all deferred amounts and investments earnings related to deferral amounts are solely the property and rights of APA and are subject to claims of APA's general creditors. Participants' rights under the 457(b) Plan are equal to those of a general creditor of APA. As of December 31, 2025 and 2024, the 457(b) Plan assets totaled \$4,522,902 and \$4,401,405, respectively, and are included in other assets in the accompanying consolidated statements of financial position.

Executive Supplemental Compensation

APA provides an executive supplemental compensation and termination benefit allowance to eligible employees. To be eligible, an employee must be an executive director and have been employed by APA for at least five years. The benefit is forfeited if the employee is terminated with cause or voluntarily terminates prior to their employment contract expiration date. At December 31, 2025 and 2024, accrued supplemental compensation under this arrangement totaled \$2,317,387 and \$1,648,579, respectively, and is included in deferred compensation in the accompanying consolidated statements of financial position. APA recorded related expense totaling \$924,610 and \$625,360 in 2025 and 2024, respectively. Additionally, APA recorded payouts related to this benefit totaling \$1,451,103 and \$551,754 in 2025 and 2024, respectively.

7. Long-Term Debt and Line of Credit

Long-term debt consists of the following:

<i>December 31,</i>	2025	2024
Note payable; 3.63%; collateralized by real property, improvements and leases; maturing December 2037	\$ 61,561,373	\$ 65,583,130
Note payable; 3.40%; collateralized by real property improvements and leases; maturing December 2030	45,314,356	46,440,320
	106,875,729	112,023,450
Less: current portion of long-term debt	(5,335,050)	(5,147,721)
	101,540,679	106,875,729
Less: unamortized deferred financing costs	(1,431,927)	(1,612,911)
	\$ 100,108,752	\$ 105,262,818

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Principal payments due under long-term debt as of December 31, 2025 are as follows:

Years ending December 31,

	APA 750	APA Ten G	Total
2026	\$ 4,170,201	\$ 1,164,849	\$ 5,335,050
2027	4,324,123	1,205,077	5,529,200
2028	4,483,727	1,246,694	5,730,421
2029	4,649,222	1,289,749	5,938,971
2030	4,820,825	1,334,290	6,155,115
Thereafter	39,113,275	39,073,697	78,186,972
	\$ 61,561,373	\$ 45,314,356	\$ 106,875,729

APA

APA opened a loan management account collateralized by the APA investment portfolio on September 1, 2021, under which it may borrow up to \$20,000,000. Payments on outstanding borrowings are due at the Secured Overnight Financing Rate (SOFR) plus 0.10% credit adjustments plus spread of 0.75% (4.72% at December 31, 2025). The loan management account does not expire. There was no outstanding balance due under the loan management account at December 31, 2025 or 2024.

APA 750

On November 30, 2017, APA 750 refinanced the property at 750 First Street for a \$90,000,000 note and used the proceeds to pay off existing debt consisting of tax-exempt bonds, a long-term note, and interest rate swap agreements. The note payable has a 20-year term with a 3.63% fixed interest rate. The note payable is secured by a deed of trust, assignment of rents, security agreement and fixture filing that encumbers the real property and improvements thereon owned by APA 750.

APA Ten G

On December 3, 2020, APA Ten G refinanced the property at 10 G Street for a \$50,500,000 note payable with a new lender for a ten-year term, which includes a lump sum payment due in 2030 and an interest rate fixed at 3.40%. The note payable is secured by a deed of trust, assignment of rents, security agreement and fixture filing that encumbers the real property and improvements thereon owned by APA Ten G, and is guaranteed by APA for certain non-recourse, carve-out obligations. Certain agreements, permits, and contracts were also pledged as collateral.

The loan agreement established escrow accounts for the payment of insurance and real estate taxes. Payments of $\frac{1}{12}$ th of the estimated annual amounts are made into the escrow accounts and are due along with monthly installments of principal and interest. The loan agreement also established a lease rollover reserve of \$17,500,000 for payment of lease-related costs associated with the future renewal or replacement of an existing tenant. These funds are held by the lender in an interest-bearing escrow account, and all risk of loss with respect to the principal is at the sole risk of APA Ten G. As of December 31, 2025 and 2024, the lease rollover reserve of \$17,500,000 plus interest income of \$361,133 and \$17,500,000 plus interest income of \$252,281, respectively, were reported as restricted cash in the accompanying consolidated statements of financial position.

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As described in Note 5, subsequent to year end, APA Ten G and the lender executed a Discounted Payoff Agreement, satisfying the balance of the note payable.

8. Related Parties

APA is affiliated with 54 divisions that represent major scientific and professional interests. The divisions operate independently from APA. Upon request, APA will act as a collection agent for dues and assessments paid by the divisions' members. Amounts collected and held by APA on behalf of the divisions are included in current assets and current liabilities in the accompanying consolidated statements of financial position. Cash and cash equivalents and investments held on behalf of the divisions totaled \$17,220,751 and \$16,515,130 as of December 31, 2025 and 2024, respectively.

Consolidated division data is obtained annually upon completion and filing of the division group income tax return. Selected financial data for the divisions for the year ended December 31, 2025, the latest filed tax return available, is as follows:

	Unaudited
Assets	\$ 45,613,667
Liabilities	1,382,416
Net assets	44,231,251
Revenues	11,107,445
Expenses	9,368,446

The American Psychological Foundation, Inc. (the Foundation), is a nonprofit corporation that provides scholarships, grants, and awards in order to advance psychology as a science and a profession and as a means of understanding behavior and promoting health and human welfare. The Foundation reimburses APA at cost for administrative expenses incurred on behalf of the Foundation. During 2025 and 2024, APA incurred \$0 and \$687,728 of reimbursable expenses from the Foundation, respectively. As of December 31, 2025 and 2024, there were no amounts due from the Foundation for these expenses.

The accompanying consolidated financial statements exclude the accounts of the above organizations because APA has neither control nor ownership interest in them.

9. Leasing Arrangements as Lessor

APA 750

APA 750 receives rental income from leasing approximately 385,000 square feet of space to 20 tenants in its headquarters building in Washington, D.C (the Property). Generally, APA 750's tenants are subject to net lease agreements. A net lease typically requires the tenant to be responsible for minimum monthly rent and actual property operating expenses incurred. Rental payments are in substance fixed in accordance with the lease agreements and do not contain any residual value guarantees or material non-lease components. There are no variable payments that are based on indices specified in the leases. APA 750 manages the risk relating to residual value of its leased assets by calculating and monitoring the values through the use of applicable valuation models and ensuring the lease payments charged to its tenants adequately cover the residual value of the building.

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At December 31, 2025 and 2024, approximately 80.12% and 89.69%, respectively, of the Property is rented to tenants under non-cancelable, multi-year leases that provide, in some instances, rental rate escalation clauses based on both the Consumer Price Index and increases in property operating expenses. These increases are generally payable in equal installments throughout the year, based on estimated increases, with any differences adjusted in the succeeding year. The tenants pay APA 750 a base rent plus a percentage of the operating costs of the building. Individual tenants' square footage leased ranges from 1,473 square feet up to 125,476 square feet. Lease terms of the tenants are typically for a period of over a year to about fifteen years, with current lease terms of individual tenants up for renewal and extension varying through November 30, 2038. The exercise of lease renewals, if available under the lease options, is generally at APA 750's discretion and is considered in APA 750's assessment of the respective lease term. There is no option for a lessee to purchase the rental space in the lease agreement. Rental income under these leases was \$15,535,727 and \$16,463,378 for the years ended December 31, 2025 and 2024, respectively.

APA 750 assesses contracts at inception to determine whether an arrangement includes a lease, which conveys LLC's right to control the use of an identified asset for a period of time in exchange for consideration. APA 750 determines whether the lease classification is an operating, sales-type lease or direct financing lease at the commencement date.

Minimum future lease payments to be received are based on existing leases as of the date of these consolidated financial statements, and do not include amounts which may be received under tenant leases for charges to recover certain operating costs, lease extensions, or new tenancies upon expiration of existing leases.

At December 31, 2025, the approximate minimum future lease payments to be received under the terms of the non-cancellable leases for each of the next five years and in the aggregate are as follows:

Years ending December 31,

	Total	Elimination of APA Rent	Net
2026	\$ 14,657,000	\$ (6,420,000)	\$ 8,237,000
2027	15,356,000	(6,581,000)	8,775,000
2028	8,668,000	-	8,668,000
2029	8,537,000	-	8,537,000
2030	9,015,000	-	9,015,000
Thereafter	40,112,000	-	40,112,000
	\$ 96,345,000	\$ (13,001,000)	\$ 83,344,000

The costs of building and improvements - leased out to tenants was \$76,125,742 and \$81,461,607 as of December 31, 2025 and 2024, respectively.

APA leases approximately 125,476 square feet of net rentable space, which represents approximately 32.57% of total rentable space. APA's lease commenced on January 10, 1992 and extends through December 31, 2027. During the years ended December 31, 2025 and 2024, rental income from APA was approximately 47% of APA 750's gross rental receipts. Gross rental receipts from APA approximated \$7,399,000 and \$8,579,000 for the years ended December 31, 2025 and 2024, respectively. APA has not reported a right-of-use asset and a related lease liability for this lease on the accompanying consolidated statements of financial position, since the lease was eliminated upon consolidation because the lessor is APA 750.

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APA and the District of Columbia government entered into a tax abatement agreement effective August 1, 2006, which reduces the amount of real estate tax that APA 750 is obligated to pay. In exchange for the tax abatement, APA is required to host its annual convention in Washington, DC once every three years. Real estate taxes paid to the District of Columbia have been reduced by \$1,426,993 and \$1,597,636 for the years ended December 31, 2025 and 2024, respectively.

In addition, APA 750 incurred expenses related to asset management services provided by APA. As of December 31, 2025 and 2024, amounts totaling \$93,900 and \$75,000, respectively, were due to APA for these services.

APA Ten G

APA Ten G receives rental income from leasing approximately 270,660 square feet of space to nine tenants in its headquarters building in Washington, D.C (the Property). Generally, APA Ten G's tenants are subject to net lease agreements. A net lease typically requires the tenant to be responsible for minimum monthly rent and actual property operating expenses incurred. Rental payments are in substance fixed in accordance with the lease agreements and do not contain any residual value guarantees or material non-lease components. There are no variable payments that are based on indices specified in the leases. APA Ten G manages the risk relating to residual value of its leased assets by calculating and monitoring the values through the use of applicable valuation models and ensuring the lease payments charged to its tenants adequately cover the residual value of the building.

At December 31, 2025 and 2024, approximately 60.2% and 90.9%, respectively, of the Property is rented to tenants under non-cancelable, multi-year leases that provide, in some instances, rental rate escalation clauses based on both the Consumer Price Index and increases in property operating expenses. These increases are generally payable in equal installments throughout the year, based on estimated increases, with any differences adjusted in the succeeding year. The tenants pay APA Ten G, a base rent plus a percentage of the operating costs of the building. Individual tenants' square footage leased ranges from 2,365 square feet up to 65,609 square feet. Lease terms of the tenants are typically for a period of over a year to twelve and a half years, with current lease terms of individual tenants up for renewal varying through September 30, 2032. The exercise of lease renewals, if available under the lease options, is generally at APA Ten G's discretion and is considered in APA Ten G's assessment of the respective lease term. There is no option for a lessee to purchase the rental space in the lease agreement. Rental income under these leases was \$7,246,200 and \$9,954,033 for the years ended December 31, 2025 and 2024, respectively.

APA Ten G assesses contracts at inception to determine whether an arrangement includes a lease, which conveys LLC's right to control the use of an identified asset for a period of time in exchange for consideration. APA Ten G determines whether the lease classification is an operating, sales-type lease or direct financing lease at the commencement date.

During the years ended December 31, 2025 and 2024, APA Ten G had leases with three tenants that comprised 10% or more of gross rental receipts, respectively. Gross rental receipts from these tenants approximated \$6,412,000 and \$9,644,000 for the years ended December 31, 2025 and 2024, respectively.

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APA Ten G incurred expenses related to asset management services provided by APA. As of December 31, 2025 and 2024, amounts totaling \$74,800 and \$58,300, respectively, were due to APA for these services. No amounts were payable to APA as of December 31, 2025 and 2024, respectively, for the reimbursement of costs paid by APA on APA Ten G's behalf.

As described in Note 5, APA Ten G's interests in these leases, together with the related property, were classified as held for sale as of December 31, 2025. The leases and related property were subsequently sold in February 2026.

10. Income Taxes

The Association records deferred income tax assets for estimated future tax consequences. Deferred income tax assets are measured by applying enacted statutory rates applicable to the future years in which deferred income tax assets are expected to be settled or realized. Valuation allowances are established, when necessary, to reduce deferred income tax assets to the amounts expected to be realized.

The provision for income taxes totaled to \$167,663 and \$6,365 for the years ended December 31, 2025 and 2024, respectively.

11. Fair Value Measurement

Certain assets are recorded at fair value. Fair value is defined as the price that would be received to sell an asset between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset with the greatest volume and level of activity for the asset is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Association's assets recorded at fair value are categorized based on the priority of the inputs used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

Level 1 - This level consists of inputs that are based upon quoted prices for identical instruments traded in active markets.

Level 2 - This level consists of inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

Level 3 - This level consists of inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset.

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The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following section describes the valuation methodologies the Association uses to measure its assets at fair value.

Investments include money market funds, mutual funds and common stocks.

In general, and where applicable, the Association uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. All of the Association's investments are Level 1 investments.

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Fair Value on a Recurring Basis

Financial assets measured at fair value on a recurring basis are summarized below:

December 31, 2025

	Total	Level 1	Level 2	Level 3
Investments				
Money market funds	\$ 7,629,632	\$ 7,629,632	\$ -	\$ -
Common stocks:				
Consumer industry	3,469,682	3,469,682	-	-
Energy industry	1,939,809	1,939,809	-	-
Finance industry	16,497,063	16,497,063	-	-
Health care industry	2,946,701	2,946,701	-	-
Industrial industry	5,285,058	5,285,058	-	-
IT industry	6,047,857	6,047,857	-	-
Real Estate	622,345	622,345	-	-
Materials industry	2,043,714	2,043,714	-	-
	38,852,229	38,852,229	-	-
Mutual funds:				
Corporate bond	22,588,694	22,588,694	-	-
Large cap stock	83,513	83,513	-	-
International stock	225,146	225,146	-	-
Mid cap equity	31,902	31,902	-	-
Small cap equity	110,653	110,653	-	-
Emerging markets	1,392,448	1,392,448	-	-
	24,432,356	24,432,356	-	-
Investments, Divisions (see Note 8)				
Mutual funds:				
Government bond	165,510	165,510	-	-
Corporate bond	53,153	53,153	-	-
Large cap stock	3,635,578	3,635,578	-	-
Mid cap stock	81,746	81,746	-	-
Inflation Protect Sec Inv	72,171	72,171	-	-
International stock	28,669	28,669	-	-
	4,036,827	4,036,827	-	-
457(B) Plan Assets (see Note 6)				
Mutual funds:				
Money fund	694,878	694,878	-	-
International equity	145,648	145,648	-	-
Large cap equity	1,463,383	1,463,383	-	-
Mid cap equity	176,422	176,422	-	-
Small cap equity	180,255	180,255	-	-
Targeted date funds	1,454,760	1,454,760	-	-
Corporate bond	264,360	264,360	-	-
Real estate funds	143,196	143,196	-	-
	4,522,902	4,522,902	-	-
Total	\$ 79,473,946	\$ 79,473,946	\$ -	\$ -

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December 31, 2024

	Total	Level 1	Level 2	Level 3
Investments				
Money market funds	\$ 2,571,154	\$ 2,571,154	\$ -	\$ -
Common stocks:				
Consumer industry	6,544,589	6,544,589	-	-
Energy industry	2,194,152	2,194,152	-	-
Finance industry	10,091,880	10,091,880	-	-
Health care industry	4,702,904	4,702,904	-	-
Industrial industry	7,662,284	7,662,284	-	-
IT industry	10,002,948	10,002,948	-	-
Real Estate	2,003,403	2,003,403	-	-
Materials industry	2,660,958	2,660,958	-	-
	45,863,118	45,863,118	-	-
Mutual funds:				
Corporate bond	11,897,016	11,897,016	-	-
Large cap stock	7,046,950	7,046,950	-	-
International stock	168,296	168,296	-	-
Mid cap equity	6,306,171	6,306,171	-	-
Small cap equity	201,504	201,504	-	-
Emerging markets	2,606,917	2,606,917	-	-
	28,226,854	28,226,854	-	-
Investments, Divisions (see Note 8)			-	-
Mutual funds:			-	-
Government bond	155,784	155,784	-	-
Corporate bond	155,669	155,669	-	-
Large cap stock	3,338,785	3,338,785	-	-
Mid cap stock	72,881	72,881	-	-
Inflation Protect Sec Inv	69,970	69,970	-	-
International stock	24,295	24,295	-	-
	3,817,384	3,817,384	-	-
457(B) Plan Assets (see Note 6)			-	-
Mutual funds:			-	-
Money fund	841,257	841,257	-	-
International equity	71,407	71,407	-	-
Large cap equity	1,441,408	1,441,408	-	-
Mid cap equity	138,907	138,907	-	-
Small cap equity	160,631	160,631	-	-
Targeted date funds	1,339,120	1,339,120	-	-
Corporate bond	260,298	260,298	-	-
Real estate funds	148,377	148,377	-	-
	4,401,405	4,401,405	-	-
Total	\$ 84,879,915	\$ 84,879,915	\$ -	\$ -

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12. Contingencies

Along with an international law firm, the Association is a defendant in defamation lawsuits brought by three individuals. Although it cannot be concluded that an unfavorable outcome is either probable or remote, the Association's legal counsel does not expect it to result in a judgment against the Association which would have a material adverse effect on the Association's consolidated financial statements.

13. Subsequent Events

The Association has evaluated subsequent events through July 31, 2026, which is the date the consolidated financial statements were available to be issued. There were no events, other than those described in Note 5, that required adjustments to, or disclosure in, these consolidated financial statements.