
**American Psychological Association
and Subsidiaries**

Audited Consolidated Financial Statements

YEARS ENDED DECEMBER 31, 2024 AND 2023



**AMERICAN
PSYCHOLOGICAL
ASSOCIATION**

American Psychological Association and Subsidiaries

Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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.

McLean, Virginia
July 23, 2025

Consolidated Financial Statements

American Psychological Association, Inc. and Subsidiaries

Consolidated Statements of Financial Position

<i>December 31,</i>	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 35,691,525	\$ 27,008,498
Cash and cash equivalents - divisions	12,697,746	11,606,614
Investments - divisions	3,817,384	4,581,614
Accounts receivable	17,123,385	19,620,083
Publications inventory	4,236,700	4,942,830
Other current assets	6,184,405	5,182,373
Total current assets	79,751,145	72,942,012
Investments	76,661,126	78,392,270
Property and equipment, net	58,839,701	65,864,729
Deferred leasing costs, net	3,730,672	4,256,937
Rental abatements	13,474,916	14,254,797
Restricted cash	17,752,281	17,637,538
Other assets	5,374,601	5,417,617
Total assets	\$ 255,584,442	\$ 258,765,900
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 23,996,251	\$ 22,331,406
Current portion of long-term debt	5,147,721	4,966,975
Amounts collected/held for divisions and other groups	16,297,441	16,103,988
Deferred revenue	43,142,515	46,156,352
Total current liabilities	88,583,928	89,558,721
Post-retirement medical benefit obligation	1,168,148	1,191,912
Deferred compensation	6,049,984	5,722,218
Long-term debt, net	105,262,818	110,229,555
Total liabilities	201,064,878	206,702,406
Net assets		
Without donor restrictions		
Board-designated	18,522,354	21,583,429
Undesignated	35,997,210	30,480,065
Total net assets	54,519,564	52,063,494
Total liabilities and net assets	\$ 255,584,442	\$ 258,765,900

See accompanying notes to the consolidated financial statements.

American Psychological Association, Inc. and Subsidiaries

Consolidated Statements of Activities and Change in Net Assets

<i>Years Ended December 31,</i>	2024	2023
Revenues		
Licensing, royalties and rights	\$ 93,463,967	\$ 89,374,990
Publications and journal subscriptions	23,679,934	23,858,706
Member dues and fees	8,676,163	8,559,789
Service and application fees	5,808,718	5,591,081
Conference fees	3,460,450	3,280,503
Advertising and other revenue	2,909,977	2,111,401
Grants and contracts	5,004,315	4,943,166
Total revenues	143,003,524	137,719,636
Expenses		
Program services		
Publication programs	53,245,419	52,622,596
Outreach programs	39,872,708	39,951,552
Policy and research programs	10,004,938	10,917,038
Education programs	10,249,689	9,727,562
Total program services	113,372,754	113,218,748
Support services		
Management and general	27,960,634	26,245,081
Member recruitment and engagement	2,282,896	2,481,914
Fundraising	347,148	344,371
Total support services	30,590,678	29,071,366
Total expenses	143,963,432	142,290,114
Decrease in net assets before other income (expense)	(959,908)	(4,570,478)
Other income (expense)		
Investment return, net	9,441,755	12,295,273
Rental income from buildings	18,929,513	18,229,854
Cost of building operations	(20,726,286)	(18,429,884)
Interest expense	(4,222,639)	(4,397,556)
Provision for income taxes	(6,365)	(320,769)
Other income	-	368,497
Total other income	3,415,978	7,745,415
Change in net assets	2,456,070	3,174,937
Net assets, beginning of the year	52,063,494	48,888,557
Net assets, end of the year	\$ 54,519,564	\$ 52,063,494

See accompanying notes to the consolidated financial statements.

American Psychological Association, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses

<i>Year Ended December 31, 2024</i>	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 Statement of Functional Expenses

<i>Year Ended December 31, 2023</i>	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	\$ 23,416,844	\$ 355,859	\$ 16,007,912	\$ 4,240,637	\$ 2,927,225	\$ 5,674,119	\$ 52,622,596
Education programs	6,415,726	799,035	11,475	697,844	181,182	1,622,300	9,727,562
Policy and research programs	9,849,777	1,119,670	39	1,778,967	376,981	(2,208,396)	10,917,038
Outreach programs	26,090,329	5,095,720	832,399	5,018,523	3,185,912	(271,331)	39,951,552
Total program services	65,772,676	7,370,284	16,851,825	11,735,971	6,671,300	4,816,692	113,218,748
Support services							
Fundraising	27,631	31,352	-	173,964	89,500	21,924	344,371
Member recruitment and engagement	1,453,393	39,823	-	712,285	-	276,413	2,481,914
Management and general	14,485,573	149,756	-	3,724,700	1,106,590	6,778,462	26,245,081
Total support services	15,966,597	220,931	-	4,610,949	1,196,090	7,076,799	29,071,366
Total operating expenses	81,739,273	7,591,215	16,851,825	16,346,920	7,867,390	11,893,491	142,290,114
Interest expense	-	-	-	-	-	4,397,556	4,397,556
Cost of buildings operations	-	-	-	-	-	18,429,884	18,429,884
Total expenses	\$ 81,739,273	\$ 7,591,215	\$ 16,851,825	\$ 16,346,920	\$ 7,867,390	\$ 34,720,931	\$ 165,117,554

See accompanying notes to the consolidated financial statements.

American Psychological Association, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31,	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 2,456,070	\$ 3,174,937
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	8,150,915	8,372,879
Loss on the disposal of assets	1,685,603	-
Amortization	1,052,560	1,072,172
Net realized and unrealized gains on investments	(7,403,379)	(10,183,956)
Interest on deferred financing costs	180,984	180,984
Changes in operating assets and liabilities:		
Accounts receivable	2,496,698	(4,534,324)
Publications inventory	706,130	(1,301,326)
Other current assets	(1,002,032)	(834,035)
Rental abatements	779,881	676,163
Deferred leasing costs	(526,295)	(220,285)
Other assets	43,016	(340,736)
Accounts payable and accrued expenses	1,664,845	(2,992,169)
Amounts collected/held for divisions and other groups	193,453	(411,852)
Deferred revenue	(3,013,837)	(547,263)
Post-retirement medical benefit obligation	(23,764)	100,324
Deferred compensation	327,766	341,386
Total adjustments	5,312,544	(10,622,038)
Net cash provided by (used in) operating activities	7,768,614	(7,447,101)
Cash flows from investing activities:		
Net increase (decrease) in money market instruments held in investments	-	956,918
Purchases of investments	(24,016,658)	(22,084,394)
Proceeds from sales and maturities of investments	33,915,411	28,402,315
Purchases of property and equipment	(2,811,490)	(1,525,702)
Net cash provided by investing activities	7,087,263	5,749,137
Cash flows from financing activity:		
Principal payments under long-term debt	(4,966,975)	(4,792,579)
Net cash used in financing activity	(4,966,975)	(4,792,579)
Net increase (decrease) in cash and cash equivalents, cash and cash equivalents, divisions, and restricted cash	9,888,902	(6,490,543)
Cash and cash equivalents, cash and cash equivalents, divisions, and restricted cash, beginning of the year	56,252,650	62,743,193
Cash and cash equivalents, cash and cash equivalents - divisions and restricted cash, end of the year	\$ 66,141,552	\$ 56,252,650
Reconciliation of cash and cash equivalents, cash and cash equivalents - divisions and restricted cash to statements of financial position:		
Cash and cash equivalents	\$ 35,691,525	\$ 27,008,498
Cash and cash equivalents - divisions	12,697,746	11,606,614
Restricted cash	17,752,281	17,637,538
Cash and cash equivalents, cash and cash equivalents - divisions, and restricted cash, end of the year	\$ 66,141,552	\$ 56,252,650
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 4,056,472	\$ 4,266,095
Cash paid for income taxes	\$ -	\$ 319,240

See accompanying notes to the consolidated financial statements.

American Psychological Association and Subsidiaries

Notes to the 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 fully commenced expanded operations on January 1, 2019.

APASI's membership consists of all members of APA that are in good standing. The Council has approved the 2024 and 2023 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 370,000 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 263,700 square feet in Washington, D.C.

American Psychological Association and Subsidiaries

Notes to the 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 (U.S. GAAP).

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of 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 6).

American Psychological Association and Subsidiaries

Notes to the 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 73% and 69% of the receivable balance at December 31, 2024 and 2023 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, 2024 and 2023, respectively. During the years ended December 31, 2024 and 2023, the Association wrote off receivables amounting to \$1,562,776 and \$1,339,855, 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 the Consolidated Financial Statements

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 forty 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.

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.

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 to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. No indicators of impairment were identified for the years ended December 31, 2024 and 2023.

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. Expenditures for repairs and maintenance are expensed as incurred.

American Psychological Association and Subsidiaries

Notes to the Consolidated Financial Statements

Deferred Leasing Costs

Deferred leasing costs consist of commissions, fees and costs incurred in the successful negotiation of leases and are deferred and amortized on the straight-line basis over the terms of the respective leases. Deferred leasing costs of \$3,730,672 and \$4,256,937 are shown net of accumulated amortization of \$15,394,243 and \$14,341,683 as of December 31, 2024 and 2023, respectively. Amortization expense for the years ended December 31, 2024 and 2023 was \$1,052,560 and \$1,072,172, 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 \$1,612,911 and \$1,793,895 are recorded net of accumulated amortization of \$960,964 and \$779,980 at December 31, 2024 and 2023, respectively. Interest expense was \$180,984 for each of the years ended December 31, 2024 and 2023.

Other Income

On January 1, 2023, APA sold the PsyCareers job board website to APASI which includes the content of the website and registered service mark for \$368,497 which is included as other income in the accompanying consolidated statements of activities and change in net assets.

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.

American Psychological Association and Subsidiaries

Notes to the Consolidated Financial Statements

Net Assets Without Donor Restriction - Board-designated

Net assets without donor restrictions - board-designated net assets consist of the following at December 31:

	2024	2023
Strategic Investment	\$ 10,280,702	\$ 12,717,720
750 Debt Reserve	3,932,941	3,593,505
APAIT Business Agreement	2,307,576	2,307,576
Accreditation Stabilization	2,001,135	2,245,066
Investment in APA Plan 2.0	-	719,562
	\$ 18,522,354	\$ 21,583,429

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. The investment in APA 2.0 was established in 2014 to expand APA's family of products.

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 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 policy and research program services relate primarily to the Association's Science & 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

American Psychological Association and Subsidiaries

Notes to the Consolidated Financial Statements

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 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 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 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 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.

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, 2024 and 2023. 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, 2024 and 2023.

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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, 2020 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, 2024 and 2023, approximate \$19,700,000 and \$24,100,000, respectively.

The Association's applicable investment aggregate balances were in excess of the SIPC insurance limits by approximately \$91,000,000 and \$77,900,000 at December 31, 2024 and 2023. 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.

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.

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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 5).

Recent Accounting Pronouncements Not Yet Adopted

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. This ASU was issued to clarify the guidance in Topic 820, Fair Value Measurement, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security. It was also issued to amend a related illustrative example and to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. The amendments clarify that a contractual restrict on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. This amendment also requires the following disclosures for equity securities subject to contractual sale restrictions: (1) The fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; (2) The nature and remaining duration of the restriction(s); and (3) The circumstances that could cause a lapse in the restriction(s). For non-public entities, the ASU is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted. The Association is currently evaluating the impact of this ASU on its consolidated financial statements.

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.

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

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yet earned, are held and recorded as deferred revenue, unless otherwise noted below. Invoices resulting from APA's contracts with customers are generally due within 30-90 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 APAPsync 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 at December 31:

	2024	2023
Licensing	\$ 92,419,800	\$ 88,546,120
Royalties and rights	1,044,167	828,870
Total licensing, royalties and rights	\$ 93,463,967	\$ 89,374,990

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. 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

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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 at December 31:

	2024	2023
Journal subscriptions	\$ 6,535,597	\$ 7,785,738
Publications	17,059,070	15,987,837
Shipping charges	85,267	85,131
Total journal subscriptions and publications	\$ 23,679,934	\$ 23,858,706

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 \$8,676,163 and \$8,559,789 as of December 31, 2024 and 2023, 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's 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 at December 31:

	2024	2023
Accreditation	\$ 5,417,162	\$ 5,217,101
CESA	391,556	373,980
Total service and application fees	\$ 5,808,718	\$ 5,591,081

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 \$3,460,450 and \$3,280,503 as of December 31, 2024 and 2023, 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

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opportunities, and other benefits during the conference. The advertising opportunities are material 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 at December 31:

	2024	2023
Advertising	\$ 1,313,481	\$ 1,273,272
Affinity program revenue	242,981	151,958
Contributions, see below	430,453	427,637
Other revenue	923,062	258,534
Total advertising and other revenue	\$ 2,909,977	\$ 2,111,401

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 \$4,948,909 and \$4,720,733 in 2024 and 2023, respectively. There were no outstanding performance obligations, unrecognized funds, or unspent federal funds at December 31, 2024 and 2023.

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At December 31, 2024 and 2023, APA had remaining available award balances on the federal grants and contracts of \$5,100,293 and \$5,992,643, respectively. These award balances are not recognized 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 \$210,460 and \$756,628, as of December 31, 2024 and 2023, 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, 2024 and 2023, rental abatements total \$13,474,916 and \$14,254,797, 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 \$18,929,513 and \$18,229,854 in 2024 and 2023, 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:

<i>December 31,</i>	2024	2023
Financial assets available for general use at year-end:		
Cash and cash equivalents	\$ 35,691,525	\$ 27,008,498
Accounts receivable	17,123,385	19,620,083
Investments	76,661,126	78,392,270
Less: financial assets not available for general expenditures within one year - Board-designated net assets	(18,522,354)	(21,583,429)
Financial assets available to meet cash needs for general expenditures within one year	\$ 110,953,682	\$ 103,437,422

All 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 did not consider cash and cash equivalents and investments related to divisions as those are not considered to be available for general expenditures. See Note 7 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 6.

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4. Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Land	\$ 9,705,321	\$ 9,705,321
Buildings and improvements	18,642,552	17,013,683
Buildings and improvements-leased out to tenants (Note 8)	131,845,118	133,234,601
Furniture, fixtures and equipment	37,218,227	37,197,004
	197,411,218	197,150,609
Less: accumulated depreciation and amortization	(138,571,517)	(131,285,880)
Property and equipment, net	\$ 58,839,701	\$ 65,864,729

Depreciation and amortization expense on property and equipment totaled \$8,150,915 and \$8,372,879 for the years ended December 31, 2024 and 2023, respectively.

5. 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 \$3,468,384 and \$3,443,473 for the years ended December 31, 2024 and 2023, 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.

APA's post-retirement medical benefit obligation was \$1,168,148 and \$1,191,912 as of December 31, 2024 and 2023, respectively. These amounts are reflected as a non-current liability in the accompanying consolidated statements of financial position.

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The following table presents the change in post-retirement medical benefit obligation in the consolidated statements of financial position for the years ended December 31:

	2024	2023
Changes in benefit obligations:		
Benefit obligations, beginning of the year	\$ 1,191,912	\$ 1,091,588
Service cost	26,503	26,882
Interest cost	57,987	53,715
Actuarial loss	10,527	109,138
Benefits paid	(118,781)	(89,411)
Benefit obligations, end of the year	\$ 1,168,148	\$ 1,191,912

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 for the years ended December 31:

	2024	2023
Service cost	\$ 26,503	\$ 26,882
Interest cost of the projected benefit obligation	57,987	53,715
Amortization of unrecognized prior service cost	(131,028)	(135,844)
Net periodic post-retirement benefit cost	\$ (46,538)	\$ (55,247)

For 2024 and 2023, the discount rate used in the calculation of the projected benefit obligation and cost was 5.5% and 5.0%, respectively. Assumed health care cost trend rates are as follows for the years ending December 31:

	2024	2023
Healthcare cost trend rate assumed for next year	9.00%	8.50%
Rate to which the cost trend rate is assumed to increase	5.5%	5.0%
Year that the rate reaches the ultimate trend rate	2045	2044

As of December 31, 2024, the following post-retirement medical benefit payments are expected to be paid:

Years Ending December 31,

2025	\$ 123,000
2026	167,000
2027	184,000
2028	192,000
2029 - 2034	775,000

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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, 2024 and 2023, the 457(b) Plan assets totaled \$4,401,405 and \$4,147,246, 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, 2024 and 2023, accrued supplemental compensation under this arrangement totaled \$1,648,579 and \$1,574,972, respectively, and is included in deferred compensation in the accompanying consolidated statements of financial position. APA recorded related expense totaling \$625,360 and \$552,881 in 2024 and 2023, respectively. Additionally, APA recorded payouts related to this benefit totaling \$551,754 and \$392,667 in 2024 and 2023, respectively.

6. Long-Term Debt and Line-of-Credit

Long-term debt consists of the following at December 31:

	2024	2023
Note payable; 3.63%; collateralized by real property, improvements and leases; maturing December 2037	\$ 65,583,130	\$ 69,461,728
Note payable; 3.40%; collateralized by real property, improvements and leases; maturing December 2030	46,440,320	47,528,697
	112,023,450	116,990,425
Less: current portion of long-term debt	(5,147,721)	(4,966,975)
	106,875,729	112,023,450
Less: unamortized deferred financing costs	(1,612,911)	(1,793,895)
	\$ 105,262,818	\$ 110,229,555

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Principal payments due under long-term debt as of December 31, 2024 are as follows:

<i>Years Ending December 31,</i>	<i>APA 750</i>	<i>APA Ten G</i>	<i>Total</i>
2025	\$ 4,021,757	\$ 1,125,964	\$ 5,147,721
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
Thereafter	43,934,100	40,407,987	84,342,087
	\$ 65,583,130	\$ 46,440,320	\$ 112,023,450

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% (5.49% at December 31, 2024). The loan management account does not expire. There was no outstanding balance due under the loan management account at December 31, 2024 and 2023.

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 10-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 1/12th 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 establishes 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, 2024 and 2023, the lease rollover reserve of \$17,500,000 plus interest income of \$252,281 and \$17,500,000 plus interest income of \$137,538, respectively, were reported as restricted cash in the accompanying consolidated statements of financial position.

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7. 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 \$16,515,130 and \$16,188,228 as of December 31, 2024 and 2023, 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, 2024, the latest filed tax return available, is as follows:

	Unaudited
Assets	\$ 42,006,643
Liabilities	1,123,765
Net assets	40,882,878
Revenues	9,921,214
Expenses	9,125,735

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 2024 and 2023, APA incurred \$687,728 and \$983,446 of reimbursable expenses from the Foundation, respectively. As of December 31, 2024 and 2023, \$0 and \$405,537, respectively, was 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.

8. Leasing Arrangements as Lessor

APA 750

APA 750 receives rental income from leasing approximately 370,000 square feet of space to 18 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.

At December 31, 2024 and 2023, approximately 89.69% and 92.82% of the Property respectively, 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

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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 176,133 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 August 31, 2036. 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 \$16,463,378 and \$15,599,739 for the years ended December 31, 2024 and 2023, 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, 2024, 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:

<i>Years Ending December 31,</i>	Total	Elimination of APA Rent	Net
2025	\$ 16,011,000	\$ (8,793,000)	\$ 7,218,000
2026	15,635,000	(9,013,000)	6,622,000
2027	16,056,000	(9,238,000)	6,818,000
2028	6,596,000	-	6,596,000
2029	6,377,000	-	6,377,000
Thereafter	29,945,000	-	29,945,000
	\$ \$90,620,000	\$ (27,044,000)	\$ \$63,576,000

The costs of building and improvements-leased out to tenants was approximately \$81,461,607 and \$83,353,983 as of December 31, 2024 and 2023, respectively.

APA leases approximately 176,133 square feet of net rentable space, which represents approximately 47% of total rentable space. APA's lease commenced on January 10, 1992 and extends through December 31, 2027. During the years ended December 31, 2024 and 2023, rental income from APA was approximately 51% of APA 750's gross rental receipts, respectively. Gross rental receipts from APA approximated \$8,579,000 and \$8,376,000 for the years ended December 31, 2024 and 2023, 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 \$1,597,636 and \$1,717,021 for the years ended December 31, 2024 and 2023, respectively.

In addition, APA 750 incurred expenses related to asset management services provided by APA. As of December 31, 2024 and 2023, amounts totaling \$75,000 and \$63,900, respectively, were due to APA for these services.

APA Ten G

APA Ten G receives rental income from leasing approximately 263,700 square feet of space to 10 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, 2024 and 2023, approximately 90.9% 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 2,416 square feet up to 140,971 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 \$9,954,033 and \$10,075,513 for the years ended December 31, 2024 and 2023 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.

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

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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** - Inputs that are based upon quoted prices for identical instruments traded in active markets.
- **Level 2** - 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** - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset. 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:

Description	As of December 31, 2024			
	Assets Measured At Fair Value	Fair Value Hierarchy Level		
		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 7)				
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 5)				
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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Description	As of December 31, 2023			
	Assets Measured At Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Investments				
Money Market funds	\$ 2,136,180	\$ 2,136,180	\$ -	\$ -
Common stocks				
Consumer industry	8,610,511	8,610,511	-	-
Energy industry	3,526,472	3,526,472	-	-
Finance industry	8,527,710	8,527,710	-	-
Health care industry	6,944,885	6,944,885	-	-
Industrial industry	8,513,373	8,513,373	-	-
IT industry	12,413,933	12,413,933	-	-
Real Estate	2,984,534	2,984,534	-	-
Materials industry	3,102,260	3,102,260	-	-
	54,623,678	54,623,678	-	-
Mutual funds				
Corporate bond	13,463,678	13,463,678	-	-
Large cap stock	753,111	753,111	-	-
International stock	166,196	166,196	-	-
Mid cap equity	5,106,207	5,106,207	-	-
Small cap equity	94,123	94,123	-	-
Emerging markets	2,049,097	2,049,097	-	-
	21,632,412	21,632,412	-	-
Investments, divisions (see Note 7)				
Mutual funds				
Government bond	153,793	153,793	-	-
Corporate bond	150,915	150,915	-	-
Large cap stock	4,124,150	4,124,150	-	-
Mid cap stock	63,532	63,532	-	-
Inflation Protect Sec Inv	67,395	67,395	-	-
International stock	21,829	21,829	-	-
	4,581,614	4,581,614	-	-
457(b) Plan assets (see Note 5)				
Mutual funds				
Money fund	509,709	509,709	-	-
International equity	74,626	74,626	-	-
Large cap equity	1,319,384	1,319,384	-	-
Mid cap equity	166,228	166,228	-	-
Small cap equity	181,682	181,682	-	-
Targeted date funds	1,204,651	1,204,651	-	-
Corporate bond	532,043	532,043	-	-
Real estate funds	158,923	158,923	-	-
	4,147,246	4,147,246	-	-
Total	\$ 87,121,130	\$ 87,121,130	\$ -	\$ -

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11. 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.

12. Subsequent Events

The Association has evaluated subsequent events through July 23, 2025, which is the date the consolidated financial statements were available to be issued. There were no events other than described below required adjustments to, or disclosure in, these consolidated financial statements.

Subsequent to December 31, 2024, APA Ten G management obtained board approval to initiate the sale process for 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.