



Treasurer's Report

June 2026

Financials Statements:

Comparative financial statements for the fiscal years ending June 30, 2025, and June 30, 2026, have been provided for review. Please note that the financial results presented for both fiscal years are interim and unaudited. AAR's FY2025 audit engagement is currently underway and is anticipated to be completed later this summer.

As reflected in the Statement of Activities, AAR experienced several notable variances in revenues and expenses between FY2025 and FY2026. These fluctuations are attributable to a combination of factors, including, but not limited to, the following:

Investments:

As is typical, year to year, AAR anticipates periodic fluctuations in the market value of its investment portfolio in response to changing economic conditions and broader market trends. As of June 18, 2026, the total market value of the portfolio was \$5,379,020, representing a decrease of \$234,565 (4.2%) from the portfolio value reported on December 31, 2025.

During the fiscal year, in addition to market fluctuations, AAR has drawn from the portfolio in excess of 11%, which is 6% above what is prescribed in the spending policies to cover the fiscal year's operational deficit. It is important to note that although the total amount drawn is higher than prescribed it also represents an almost 10% decrease in the total amount necessary to cover the deficit in the previous year.

Changes in Market Value:

	12/31/2025	6/18/2026	Variance
Equity Securities	\$3,742,208.51	\$3,689,360.39	(\$52,848.12)
Mutual Funds	\$1,696,818.61	\$1,540,161.33	(\$156,657.28)
Money Market Funds	\$174,542.23	\$149,498.26	(\$25,043.97)
Total Asset Market Value:	\$5,613,584.92	\$5,379,019.98	(\$234,564.94)

Annual Meeting:

The following tables illustrate the attendance and revenue variances between the 2024 (FY25) and 2025 (FY26) Annual Meetings:

Actual attendance variances:

	2024 – San Diego	2025 – Boston	% Change
AAR only	3521	3543	+0.6%
SBL only	3474	3400	-2.1%
Dual	790	848	+7.3%
Total Attendance	7,785	7,791	+0.1%



Overall attendance remained relatively stable year over year, increasing by six attendees (0.1%) from 7,785 participants in San Diego to 7,791 participants in Boston. While AAR-only registrations increased modestly by 0.6% and dual registrations increased by 7.3%, SBL-only registrations declined by 2.1%.

Despite consistent attendance levels, AAR experienced a decrease in Annual Meeting registration revenue of \$130,295 (13.8%), declining from \$941,023 in FY2024 to \$810,728 in FY2025. Conversely, membership revenue increased by \$56,226 (11.1%), rising from \$508,539 to \$564,765 during the same period.

Actual AAR revenue variance

Revenue	2024 – San Diego	2025 – Boston	\$ Variance	% Change
AM Registration	\$941,023	\$810,728	(\$130,295)	-13.8%
Membership	\$508,539	\$564,765	\$56,226	+11.1%
Total	\$1,449,562	\$1,375,493	(\$74,069)	-5.1%

These variances demonstrate that while the FY2026 (2025 – Boston) Annual Meeting revenue exceeded the conservative attendance assumptions used in budget development, actual registration revenue was approximately \$155,007 below budgeted projections. The difference between attendance and realized revenue suggests that factors such as registration mix, attendee purchasing patterns, discount utilization, and member category composition may have influenced overall revenue performance.

Budgeting for FY2027:

For the 2027 fiscal year (7/1/26 – 6/30/27), AAR’s Board of Directors approved the organizational budget in June 2026. This year AAR approached its fiscal planning by focusing on some of the following assumptions:

- Due to the current political climate and broader factors influencing the decision-making of members and other typical participants in AAR events, we have taken a conservative approach in projecting revenue associated with the 2026 Annual Meeting, recognizing the potential for fluctuations in attendance and participation levels.
- A continuing effort to streamline operations by reducing expenses to ensure that we operate in the leanest manner possible. We have either reduced or eliminated costs across every operational function area.
- Recognition that membership dues and other earned revenue sources continue to represent only a portion of AAR’s annual operating needs, requiring the organization to remain thoughtful and disciplined in its use of investment reserves.
- Continued evaluation of programs, services, and staffing structures to ensure that organizational resources are aligned with AAR’s strategic priorities and mission-focused activities.
- Conservative revenue forecasting practices intended to minimize the risk of budget shortfalls and better position the Academy to adapt to shifts in member engagement and participation trends.
- Ongoing monitoring of operational efficiencies and opportunities to leverage technology and process improvements to support staff capacity while controlling costs.



Summary:

Overall, AAR remains committed to prudent financial stewardship as we navigate a period of uncertainty and change within the broader higher education and nonprofit landscape. While the organization experienced some fluctuations in revenues and expenses during FY2026, leadership has taken a proactive and conservative approach to fiscal planning, emphasizing expense management, operational efficiencies, and careful monitoring of cash reserves and investments. The FY2027 budget reflects these efforts and was developed to support AAR's strategic priorities while maintaining the flexibility needed to respond to evolving member engagement trends and external factors. We will continue to closely monitor financial performance throughout the year and provide regular updates to the Board to ensure informed decision-making and the long-term sustainability of the Academy.

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