

Report No.	22	New <input checked="" type="checkbox"/>	Substitute <input type="checkbox"/>	Amendment <input type="checkbox"/>
Submitted By:	Dr. Paul Leary, Secretary-Treasurer			
Date Submitted:	May 14, 2026	Reference Committee <input type="checkbox"/>	Direct to House <input checked="" type="checkbox"/>	
Total Financial Implication:	\$ none			
Amount One-time	\$ none	Amount On-going	\$ none	

### Report of the Secretary-Treasurer

1 **Reserves**

2 Following is the full year 2025 investment results from our Reserve Fund account with  
3 the Vanguard Group.

<b>Reserve Fund - The Vanguard Group</b>					
<i>2025 – Year end data</i>					
<i>* Due to Rounding, some %'s may vary</i>					
	<u>Ticker Symbol</u>	<u>Market Value</u>	<u>% Alloc</u>	<u>1-yr Return</u>	<u>3-Yr Return</u>
<b><u>Bonds</u></b>					
	SHORT-TERM INV GRADE	VFSUX	\$615,817	6%	6.85%
	INTERMEDIATE-TERM INVESTMT GRADE	VFIDX	\$468,196	5%	9.64%
	LONG-TERM INVESTMT GRADE	VWETX	\$350,486	4%	7.30%
	TOTAL BOND MARKET <b>INDEX</b> FUND	VBTLX	<u>\$1,459,894</u>	<u>16%</u>	<u>7.15%</u>
	<b>Total Fixed Income</b>		<b>\$2,894,392</b>	<b>31%</b>	<b>7.50%</b>
<b><u>Stocks</u></b>					
	TOTAL STOCK MARKET <b>INDEX</b> FUND	VTSAX	\$3,844,418	41%	17.12%
	TOTAL INTERNATIONAL STOCK <b>INDEX</b>	VTIAX	<u>\$2,683,794</u>	<u>28%</u>	<u>32.18%</u>
	<b>Total Equity</b>		<b>\$6,528,212</b>	<b>69%</b>	<b>22.78%</b>
	<b>Total Portfolio</b>		<b>\$9,422,604</b>	<b>100%</b>	<b>17.72%</b>

4 2025 was another great year, especially for the international stock market that had a  
5 return of 32% for the year. Our advisors kept indicating that the US market would slow  
6 down and the international pick up and this year it did, however the US market is still  
7 performing strong with a 17% stock market gain. In 2023 and 2024 this US stock  
8 market return was around 25%. Our portfolio has realized a return of just over 17% for  
9 the year and over the past three years it has averaged a return of 15%!

11 A blended and diversified portfolio return of 17% for the year is considered excellent  
12 compared to most any other year. The portfolio has increased approximately \$1.1  
13 million for the year 2025, and that is after \$275,000 was withdrawn for the annual  
14 support the operating fund. The annual withdrawal is made in four quarterly payments.

15 The first four months of 2026 has been volatile for the US stock market with the Iran  
16 conflict and government shutdown concerns.

17 Following is the YTD performance through April 2026:

18

<b>Reserve Fund - The Mercer Group</b>							
<i>YTD April 30, 2026 snapshot</i>							
<i>* Due to Rounding, some %'s may vary</i>							
	<u>Ticker</u>	<u>Market</u>	<u>%</u>	<u>YTD</u>	<u>3-Yr</u>	<u>5-Yr</u>	
	<u>Symbol</u>	<u>Value</u>	<u>Alloc</u>	<u>Return</u>	<u>Return</u>	<u>Return</u>	
-							
<b><u>Bonds</u></b>							
	SHORT-TERM INV GRADE	VFSUX	\$701,551	7%	0.60%	5.35%	2.39%
	INTERMEDIATE-TERM INVESTMT GRADE	VFIDX	\$468,639	5%	0.09%	5.55%	1.46%
	LONG-TERM INVESTMT GRADE	VWETX	\$352,675	3%	-0.52%	2.13%	-2.21%
	TOTAL BOND MARKET <b>INDEX</b> FUND	VBTLX	<u>\$1,522,614</u>	<u>16%</u>	<u>0.18%</u>	<u>3.48%</u>	<u>0.17%</u>
	<b>Total Fixed Income</b>		<b>\$3,045,480</b>	<b>31%</b>	<b>0.18%</b>	<b>4.27%</b>	<b>0.65%</b>
<b><u>Stocks</u></b>							
	TOTAL STOCK MARKET <b>INDEX</b> FUND	VTSAX	\$4,066,544	41%	5.97%	21.35%	11.84%
	TOTAL INTERNATIONAL STOCK <b>INDEX</b>	VTIAX	<u>\$2,709,953</u>	<u>28%</u>	<u>10.05%</u>	<u>17.63%</u>	<u>8.57%</u>
	<b>Total Equity</b>		<b>\$6,776,497</b>	<b>69%</b>	<b>7.63%</b>	<b>19.92%</b>	<b>10.59%</b>
	<b>Total Portfolio</b>		<b>9,821,977</b>	<b>100%</b>	<b>5.24%</b>	<b>14.57%</b>	<b>7.25%</b>

\* - All Funds are Vanguard Mutual Funds

19 The funds are currently invested in Vanguard Mutual funds even though the Reserve  
20 fund now is managed by Mercer Group. Our advisory fees have not increased from the  
21 transition to Mercer. They remain at \$30,000 a year. Our current investment policy is  
22 65% stocks and 35% bonds. If the return activity causes these groups to deviate more  
23 than 5% they will be rebalanced on a quarterly basis. Even with the volatile couple of  
24 months we are showing a positive year to date return of just over 5%.

## 25 **Board Investment Committee**

26 The investment committee consists of five (5) members. Three (3) members are  
27 included ex-officio: the Secretary-Treasurer, the Executive Director, and the Chief  
28 Financial Executive. Two additional association members are selected by the President  
29 for two-year terms based upon their past tripartite leadership in investment  
30 management or their otherwise acknowledged expertise in such. Dr. Cuomo appointed  
31 Drs. Mitch Mindlin and Mark Weinberger to these positions. These terms are set to

32 expire in the 2026 House meeting for the first term. Appointive members may be  
33 eligible for two additional terms at the pleasure of the current President. These  
34 appointive position terms are staggered so that subsequently, both at-large positions  
35 are not renewed at the same time. (This House meeting would be the 1<sup>st</sup> additional –  
36 will need to change one member in the 2028 House to stagger the appointive  
37 members).

38 The Committee met with our investment advisor from the Mercer Group, formerly  
39 Vanguard. After the meetings the committee felt the portfolio allocation and mutual  
40 funds invested in were appropriate for the long-term needs of the association.

#### 41 **2027 Budget**

42 The Board is submitting a proposed 2027 Budget containing a cash deficit of  
43 approximately \$382k before any dues increase. The Budget Committee, that presented  
44 the initial draft to the Board, noted that expenses, even with general inflationary cost  
45 increases, were kept at less than a 1% increase from the 2026 Budget expenditures.  
46 This was only possible through cost cutting measures like the restructuring of the  
47 government affairs function that, even after payroll raises of 3% in budget, reduced  
48 payroll expenses by \$60k. The big difference in the 2027 to 2026 budget was the loss  
49 of revenues, primarily membership dues loss.

50  
51 The Committee suggested that the Board consider increasing the budgeted Reserve  
52 Fund withdrawal to \$380,000 from the current \$330,000 level. This represents 4% of  
53 \$9.5 million, which is less than the April 2026 balance and is considered a reasonable  
54 ongoing asset withdrawal percentage. The Board agreed with this increase and also  
55 agreed that it was appropriate to propose 3% inflationary dues increase to minimize this  
56 budgeted deficit. Increasing dues by \$21, should produce another \$122,882 in revenue.  
57 The Board also agreed to add an additional \$17,000 in expense for an AI component to  
58 the NYSDA website. Together these changes result in a cash deficit to approximately  
59 \$259k.

#### 60 **2025 Audited Financial Statements**

61 Our audit firm, The Bonadio Group, recently met with our Board Audit Committee to  
62 review the audited financial statements for 2025. The firm once again found no  
63 problems or concerns with how the financial activity was recorded in 2025 and indicated  
64 that all was concordant with generally accepted accounting principles.

65 Our internal financial statements reflect a deficit for 2025 of approximately \$300,000.  
66 The audited statements, however, reflect a deficit of \$575,000 since accounting  
67 standards do not consider our annual budgetary transfer of \$275,000 from reserves to  
68 be new income. That is just recorded as a below-the-line transfer in the audited  
69 statements. Delegates can find the complete results of the audit in a separate report  
70 from the Board of Trustees.

71 Please do not hesitate to contact me in advance of the House meeting if you have  
72 questions on any of this. You can reach me at [prldmd823@gmail.com](mailto:prldmd823@gmail.com) or (631) 804-  
73 9600.