American Society of Plant Biologists (ASPB)

Treasurer's Report

Reporting Period: FY 2024 Audited Financials with Forward Looking Context (2025–2026) and Board of Trustees updates

1. Overview and Fiduciary Statement

This Treasurer's Report summarizes ASPB's audited financial position and operating results for the fiscal year ending December 31, 2024, and provides relevant context from the independent external audit, the Morgan Stanley Wealth Strategies Analysis (WSA), and the proposed engagement of an external organizational consultant. Collectively, these materials inform the Board of Trustees' fiduciary oversight responsibilities, including financial sustainability, risk management, and alignment of resources with ASPB's strategic priorities.

2. 2024 Audited Financial Results – High Level Summary

The independent audit of ASPB's 2024 financial statements by Calibre CPA Group reflects a strong overall financial position, supported by continued fiscal discipline and appropriate internal controls.

Key outcomes from the 2024 audit include:

- An unmodified (clean) audit opinion on ASPB's financial statements.
- No audit adjustments proposed by the auditors.
- No material weaknesses or significant deficiencies identified in internal controls.
- No identified instances of fraud, illegal acts, or noncompliance.

These results indicate that ASPB's financial reporting is reliable, that internal control systems are functioning as intended, and that management oversight of financial operations is effective.

3. Financial Position and Operating Performance

Statement of Financial Position (FY 2024, January 1 - December 31, 2024):

- ASPB maintained strong liquidity, with cash, cash equivalents, and investments sufficient to meet both short-term obligations and longer-term programmatic commitments.
- Total assets increased modestly year over year, reflecting prudent investment management and controlled spending.

- ASPB continues to depend on publications as its primary source of income, although this revenue has shown a declining trend in recent years due to outsourcing to OUP.
- Liabilities remain manageable, with no indication of near-term liquidity stress.

Statement of Activities (FY 2024 (January 1 – December 31, 2024)):

- Publications revenue accounted for approximately 68% of total income, highlighting a continued reliance on a single primary revenue stream. While this revenue remains strong, the concentration underscores the importance of ongoing diversification efforts.
- Meetings continued to be the most significant expense for the Society, and member support costs, combined with relatively low revenue generation, create ongoing pressure on the organization's fiscal management.
- Awareness has been elevated at the ASPB Council level to ensure committees are informed and contribute to the Society's overall financial well-being.
- ASPB strategic plan is currently in development and includes key considerations related to long-term financial stability.
- A new Vice President for Business Development was hired in February2025, and the organization is actively pursuing new revenue generation streams.
- The Legacy Society Leadership Committee (LSLC) launched ASPB Plant Biology Fund to provide additional support to member attendance at Plant Biology meetings (2025-2027), in addition to ongoing Philanthropic initiatives, including the Pioneer Program.

4**. Key Financial Indicators (KPIs)**

The auditors presented several KPIs that further contextualize ASPB's financial health:

Liquidity:

ASPB's current ratio as of December 31, 2024, exceeded 5.0, well above the commonly cited healthy range of 1.2–2.0, indicating strong short-term solvency.

Financial Flexibility:

Unrestricted liquid net assets represent approximately 18 months of operating expenses, well above the generally recommended 3–6 months, providing significant resilience against revenue volatility and unexpected expenses.

Resource Utilization:

Program expenses represent approximately 79% of total expense, reflecting strong allocation of resources toward mission- critical activities. This percentage also includes the staff support required to carry out those programs.

5. External Audit Results – Governance Implications

- The external auditors' findings reinforce confidence in ASPB's financial stewardship. Of particular note for management and staff.
- The absence of internal control deficiencies suggests that existing financial oversight structures are appropriate.
- The audit does, however, reinforce concerns already raised about structural revenue challenges, especially ASPB's dependence on publications income, and the need to better manage meeting expenses relative to revenue generation through clearer policies governing complimentary registrations, discounts, and other member concessions.

6. ASPB Wealth Strategies Analysis by Morgan Stanely

The ASPB Wealth Strategies Analysis, prepared September 2025 by Morgan Stanley, provides a forward-looking assessment of ASPB's investment portfolio and long-term sustainability.

- Portfolio value of approximately $18.9 million under the current target asset allocation.
- A long-term annualized return in the 6.0%–7.5% range, depending on asset allocation scenarios.
- Adoption of a 3.5% annual spending rule, (based on a three-year rolling average, consistent with best practices for nonprofit endowments.
- Stress testing and results generated from a Monte Carlo analyses indicate that, while the portfolio can sustain current spending policies under most modeled scenarios, prolonged programmatic deficits or extraordinary drawdowns would materially increase long-term risk.
- The analysis reinforces the importance of treating investment drawdowns as a bridge strategy, not a substitute for sustainable operating revenues.

FY 2025 Board of Trustees Project – External Consultant Proposal and Financial Context

Trustees' proposed engagement of an external consultant to conduct a 360-degree assessment of ASPB's programs, workforce, and governance is a forward-looking FY 2025 Board of Trustees initiative and is not related to FY 2024 activity; however, it is directly relevant to financial oversight.

From a Treasurer's perspective, the proposal emphasizes the importance of aligning staffing, programs, and governance with ASPB's strategic plan and financial realities. Expected outcomes include resource optimization, process improvement, and cost containment, all of which have direct implications for long-term financial sustainability. Importantly, the cost of this engagement is approximately $228,800, which is being identified as an extraordinary, one-time expense not included in the 2026 operating budget. It would require explicit Board approval to funding sources, such as investment revenue.

8. Treasurer's Assessment and Outlook

In summary, ASPB entered and exited FY 2024 in a strong financial position, with clean audit results and robust liquidity. In 2025, the BoT recommended that Society take a pause and review its approach, with a focus on better understanding of financial opportunities and advancing efforts to diversify revenue generation. The Society's investment portfolio remains healthy, but continued reliance on investment drawdowns to support yearly activities is not a sustainable long-term strategy. Revenue concentration in publications represents a material strategic and financial risk, reinforcing the importance of business development, membership growth, meetings revenue, and new programmatic income streams. The proposed external consultant assessment is financially prudent if it leads to better alignment, clearer governance roles, and stronger revenue diversification. The Treasurer recommends continued close monitoring of operating margins, disciplined use of investment drawdowns, and active engagement in revenue diversification and structural reform efforts.

9. Business Development and Revenue Growth Initiatives

Recognizing the importance of strengthening ASPB's revenue generation capacity, targeted business development efforts were initiated to address existing gaps and support long term financial sustainability.

Business development capacity enhancement:

A business development consultant was engaged, with the hiring of a Vice President of Business Development in February 2025. The consultant has already begun work and is focused on strengthening revenue generation capabilities and supporting diversification efforts. This role is intended to complement existing staff functions by bringing focused expertise and dedicated attention to business development activities.

Early initiatives and progress:

- One of the first initiatives launched under this engagement is a membership refresh campaign, aimed at improving member engagement and supporting membership related revenue.
- Additional business development initiatives are currently in progress, reflecting a multi-pronged approach rather than reliance on a single corrective action.

Financial perspective and expectations:

From a Treasurer's standpoint, business development efforts are expected to require an initial ramp up period before yielding sustained financial returns. While early activities are underway in 2025, more consistent and measurable results are anticipated in 2026 as initiatives mature and strategies are refined. These efforts are aligned with the broader goal of reducing revenue concentration risk and strengthening ASPB's operating revenue base over time.

Governance and oversight considerations:

Progress and outcomes from business development initiatives will be monitored through regular reporting to the Boards, with attention to return on investment, scalability, and alignment with ASPB's strategic priorities. The Vice President for Business Development should be viewed as a critical capacity-building role that supports revenue diversification and long-term financial sustainability, rather than simply as an operating expense. Therefore, this activity will be periodically reviewed.

10. Fundraising Activities and Philanthropic Initiatives

Fundraising remains a vital component of ASPB's long-term financial strategy, supporting both mission-aligned programs and the Society's visibility, continuity, and future leadership pipeline. The Legacy Society Leadership Committee (LSLC) has been particularly active in advancing these efforts.

LSLC fundraising leadership and committee activity:

- The LSLC has demonstrated sustained engagement in fundraising activities, building on ASPB's long standing culture of philanthropy.
- New fundraising efforts have been supported through the formation of additional committees and subcommittees, designed to strengthen oversight, continuity, and effectiveness of key fundraising programs. The LSLC continues to oversee and advance the Pioneer Recognition Program, which serves both as a fundraising mechanism and as a means of recognizing individuals who have made significant contributions to plant biology and the Society.
- These governance structures are intended to distribute workload, improve sustainability of fundraising activities, and ensure alignment with ASPB policies and long-term priorities.

Treasurer's perspective: From a financial oversight standpoint, LSLC led fundraising represents a strategically important complement to programmatic revenues. While philanthropic income is not intended to replace core revenue streams, it plays a critical role in supporting mission driven programs, reducing pressure on unrestricted funds, and enhancing ASPB’s long-term financial resilience.

11. Investment Portfolio – Key Summary

Item	Value / Policy	Board-Level Interpretation
Portfolio value (current target asset allocation)	**$18,871,798**	Total investable assets under the 2025 current target allocation as of August 2025.
Tax status	**Tax-exempt**	Portfolio managed under nonprofit investment framework.
Spending policy modeled	**3.5% of 3-year average value**	Consistent with endowment best practices (“Yale/Stanford rule”).
Liquidity role	**Supports operations and programs**	Investment returns supplement programmatic revenue such as reduced memberships, free registrations, awards, business development, and similar mission-aligned activities, but they are not a sustainable substitute for recurring earned revenue.

12. Summary:

In summary, ASPB concluded fiscal year 2024 in a strong financial position, supported by clean audited financial statements, sound internal controls, and prudent fiscal management. The external audit confirmed the reliability of ASPB’s financial reporting and the effectiveness of existing oversight structures, providing a solid foundation for forward looking decision making. Looking ahead, the Treasurer’s review highlights several important strategic financial considerations. Many initiatives were launched in 2025 that are expected to strengthen ASPB’s financial position over time. Long-term financial sustainability depends on careful stewardship of existing assets and disciplined use of investment drawdowns, which should remain a support mechanism rather than a substitute for recurring programmatic revenue growth. Continued focus on revenue diversification, business development execution, and philanthropic growth, paired with disciplined financial oversight, will be essential to maintaining ASPB’s long term stability and advancing its mission sustainably.