Treasurer's report- August 1, 2023; Kent Chapman

Audit Results

A new accounting firm, Calibre CPA group, was engaged near the end of 2021 to audit the financial activities of ASPB for the calendar year ended 2021. Because it was the first year that Calibre audited ASPB, they also reviewed 2020 financial records in preparation for audit of 2021 financial activities. The 2021 audit, like 2020 and 2019, indicated a clean report of financial activities with no material concerns, a testament to the rigorous policies and procedures put in place by CFO, Clara Woodall. Calibre CPA Group is now in the process of auditing ASPB's activities for 2022, and we anticipate that the final audited financial statements for 2022 will be prepared for review by BoT and BoD at its September joint meeting. Audited financial statements are posted on the BoT site for ASPB members to review.

Summary of Revenues and Expenditures for 2022 (unaudited)

ASPB's Revenues and expenditures for 2022 are summarized in the Table below. Values for 2022 are unaudited numbers and may change slightly from those presented here. For comparison, audited values for 2020 and 2021 are provided. In 2022, total anticipated net revenue is $3,217,473 which included a substantial amount of unrealized losses in our investment portfolio in 2022. Total anticipated expenses total $5,116,357. This results in a net loss of $2,901,182. While much of this loss can be attributed to reductions in investment value due to market fluctuations in 2022, there were unanticipated cost overruns that were not met with anticipated revenues, most notably for the Annual Meeting in Portland. Publications continue to provide the largest revenue stream to ASPB, and with impending moves to open access by the journals, the need is more urgent than ever to diversify and enhance revenue from additional sources. A notable bright spot in this area has been in fundraising which exceeded expectations this year, but this is likely to wane following completion of the Centennial Challenge Campaign in 2024. Toward the goal of expanding revenue opportunities, ASPB currently is recruiting business consultant in this area.

Overall Summary of Income and Expenses

	Year 2020 Audited	Year 2021 Audited	Year 2022 Unaudited
REVENUE			
Publications	$7,169,397	$3,752,917	$3,803,632
Membership	389,427	280,967	220,008
Meetings	736,755	474,509	582,666
Fundraising - Legacy/Pioneer/Other	364,559	324,539	642,701
Operations & Other	2,496,869	2,284,782	(2,031,534)
Total Revenue	$11,157,007	$7,117,714	$3,217,473
EXPENSES			
Publications	$3,059,372	$1,723,549	$1,762,224
Membership	161,382	211,152	193,715
Meetings	697,020	588,989	1,193,321
Legacy Society	(3,000)	1,300	6,805
Operations & Other	2,729,989	2,548,885	2,963,260
Total Expenses	$6,644,763	$5,073,875	$6,119,325
Change in Net Assets	$4,512,244	$2,043,839	($2,901,852)

Note: Legacy expenses are due to uncollectability and reversal of write-offs

Operations & Other Consist of:

1. Facilities, Finance, and Governance
2. Meetings & Events Solutions
3. Legislative and Public Affairs
4. Education & Outreach
5. Awards
6. Digital Ecosystems
7. Grants

Summary of Investment Performance

ASPB's investment portfolio is managed by Paul Powers of Morgan Stanley consistent with ASPB's investment policy. Paul Powers met with the Board of Trustees in September of 2022 and provided a follow-up summary statement in June 2023, to update the committee on the overall market conditions and details regarding the investments and performance of the investment portfolio. Market conditions resulted in significant unrealized losses in 2022; however, this year market conditions for the first seven months show improvement, though market conditions remain uncertain and particularly volatile. The Board of Trustees continues to monitor the situation with the ongoing advice from our financial advisor. Careful cash management practices by ASPB's CFO, Clara Woodall and her accounting team have contributed to a disciplined budget and spending plan such that no funds have been withdrawn from the investment portfolio in the last four years (see more below). A summary of year-to-date, year-over-year and the last decade portfolio balances as of May 31, 2023 are provided in the table below.

Investment Performance to Date

	Year to Date 01/1/2023 - 05/31/2023	Last 12 Months 05/31/2022 - 05/31/2023	Beginning Balance 01/01/ 2011 - 05/31/2023
Total Beginning Value	**$15,897,527**	**$16,582,582**	**$11,188,744**
Net Contributions/Withdrawals	-	-	(4,158,045)
Investment Earnings/(Loss)	552,732	(132,323)	9,419,560
Ending Total Value	**$16,450,259**	**$16,450,259**	**$16,450,259**
Average Rate of Return	3.48%	-0.80%	84.19%

Distribution and Impact of Board Authorized Drawdown (BAD) from Investments (2022)

Per Board of Directors policy, ASPB uses a percentage of their ***unrestricted*** long-term investments (3.5% of the 3-year rolling average balance) to support various activities each year. This "board-authorized drawdown (BAD)" from investments is used to support non-endowed honorary awards, education and outreach activities, several activities collectively referred to as "good works" (which includes numerous travel awards, support for the ASPB sections), and expenses related to Plantae. The amount of return on investment (ROI) used for 2022 totaled just under $442,000, and after $40,550 was reserved for awards, 35% was directed to education and outreach activities, 40% to "good works", and 25% to the Plantae digital ecosystem. In addition to the BAD funds that support ASPB programming, ASPB provides over $1M in complimentary and/or discounted items in support of attendees at the ASPB annual meeting.

If you are interested in learning more about ASPB's impact and finances – and you are an ASPB member - please visit the members-only Board of Trustees web pages where ASPB members can find audited financial statements, annual treasurers' reports, and Board of Trustee meeting summaries for the past several years.

Budgeting Process

A significant investment was made in 2021 to upgrade software and database systems within ASPB and improve operations in financial accounting, reporting and budgeting. With improved capabilities and more automated services, an earlier budgeting process is now possible that will allow for increased engagement with committee chairs and section representatives and provide for a more transparent process. The intention is to prioritize expenditure requests that align with ASPB priorities, and through ongoing assessment, determine which are the most effective use of ASPB resources. A general timeline for the budgeting process includes committee prioritization from Oct- March, submission of requests to Staff and Board of Trustees in March and development and approval of Budget by BoT and BoD in a joint meeting in September. This budgeting plan remains a goal for the future as we await full development of the ASPB strategic plan, a process that was initiated in 2022. The intention is that this improved budgeting process will clearly link expenditures and revenue generation to the mission elements of ASPB to derive the most impact from ASPB funds.

Fundraising

With the announcement in 2021 of the centennial challenge campaign (CCC), a formal committee was formed, chaired by Brian Larkins, to help to organize and expand fundraising efforts toward a goal of $3M by the centennial anniversary of ASPB in 2024. Already a remarkable total of $2.9M has been raised as of June 30, 2023 reflecting the generosity of our ASPB community. To support these fundraising efforts, the BoT recommended, and the BoD approved, updates to the ASPB gift acceptance policy. New fundraising opportunities are available to support undergraduate research and travel awards to Plant Biology 2024 in Honolulu, HI next summer. We encourage you to explore how your contributions can help support ASPB for its next 100 years (https://aspb.org/support-aspb/).