

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

**FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2010**

with

**INDEPENDENT AUDITORS' REPORT**

---

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

CONTENTS

	<u>Page</u>
Independent Auditors' Report	2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10
Supplementary Information	11
Combining Schedule of Activities	12
Schedule of Management and General Expense	13
Schedule of Mutual Fund Investments	14
Schedule of Cash and Cash Equivalents and Investments	15



Independent Auditors' Report

Board of Governors  
American Society of Ichthyologists and Herpetologists  
Washington, D.C.

We have audited the accompanying statement of financial position of the American Society of Ichthyologists and Herpetologists (Society) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the American Society of Ichthyologists and Herpetologists as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Richard D. Garman & Associates A. C.*

June 1, 2011  
Huntington Beach, California

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS  
STATEMENT OF FINANCIAL POSITION  
December 31, 2010

ASSETS

**Current assets:**

Cash and Cash Equivalents:	\$ 589,328
Investments	612,860
Interest and Dividends receivable	846
Accounts Receivable	<u>48,219</u>
Total Current Assets	1,251,253

Deposits	3,020
Permanently Restricted Investments - Endowments	<u>132,000</u>
Total Assets	<u>\$ 1,386,273</u>

LIABILITIES AND NET ASSETS

**Current Liabilities:**

Accounts Payable	\$ 41,391
Deferred Revenue	<u>119,340</u>
Total Current Liabilities	160,731
Deferred Revenue - Lifetime Memberships	<u>50,727</u>
Total Liabilities	211,458

**Net Assets**

*Unrestricted Net Assets*

General Operating	479,380
Board Designated:	-
General Endowment	131,105
Graduate Student Travel Fund	23,386
Stoye	72,608
Life Membership	33,710
Annual Meeting	133,385
Gaige	58,741
Storer	24,192
Raney	40,871
Fitch	<u>20,362</u>
Total Unrestricted Net Assets	<u>1,017,740</u>

*Temporarily Restricted Net Assets*

Gibbs	25,075
Total Temporarily Restricted Net Assets	<u>25,075</u>

*Permanently Restricted Net Assets*

Gibbs	100,000
Raney	<u>32,000</u>
Total Permanently Restricted Net Assets	<u>132,000</u>
Total Net Assets	<u>1,174,815</u>
Total Liabilities and Net assets	<u>\$ 1,386,273</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS  
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>				
<i>Program Services</i>				
Memberships	\$ 138,040	\$ -	\$ -	\$ 138,040
Subscriptions	96,005	-	-	96,005
Page Charges	8,450	-	-	8,450
Special Publications	8,128	-	-	8,128
BioOne	49,528	-	-	49,528
Annual Meeting	44,142	-	-	44,142
Life Memberships	7,200	-	-	7,200
Copeia Back Issues	1,256	-	-	1,256
Other	13,710	-	-	13,710
<i>Donations</i>	5,530	-	-	5,530
<i>Interest &amp; Dividends</i>	10,018	342	1,830	12,190
<i>Net Realized and Unrealized Gains and (losses) on Investments</i>	45,824	5,596	9,979	61,399
<i>Net Assets Released from Restrictions</i>	11,809	-	(11,809)	-
Total Support and Revenue	<u>439,640</u>	<u>5,938</u>	<u>-</u>	<u>445,578</u>
<b>Expenses:</b>				
<i>Program Services:</i>				
Publication of Copeia and committee expenses	103,506	-	-	103,506
Editorial Office	35,715	-	-	35,715
Annual Meeting Program	35,338	-	-	35,338
Awards	27,749	-	-	27,749
Total Program Services	<u>202,308</u>	<u>-</u>	<u>-</u>	<u>202,308</u>
<i>Supporting Services:</i>				
Management and General Expenses	104,712	-	-	104,712
Total Program and Supporting Services	<u>307,020</u>	<u>-</u>	<u>-</u>	<u>307,020</u>
Change in Net Assets	132,620	5,938	-	138,558
Net Assets, January 1, 2010,	<u>885,120</u>	<u>19,137</u>	<u>132,000</u>	<u>1,036,257</u>
Net Assets, December 31, 2010	<u>\$ 1,017,740</u>	<u>\$ 25,075</u>	<u>\$ 132,000</u>	<u>\$ 1,174,815</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

**Increase (Decrease) in Cash**

Cash Flows from Operating Activities:	
Increase (decrease) in net assets	\$ 138,558
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Net realized and unrealized gains on investments	(61,399)
Change in dividends and interest receivable	(403)
Change in accounts receivable	(3,581)
Change in deposits	8,592
Change in accounts payable	10,041
Change in deferred revenue	(65)
Change in deferred revenue - Lifetime Memberships	<u>(3,469)</u>
Net cash provided (used) by operating activities	88,274
Cash Flows from Investing Activities:	
Proceeds from sales and maturity of Investments	286,319
Investment of restricted cash flows on permanent endowments	(3,611)
Purchase of Investments	<u>(238,213)</u>
Net cash flows provided (used) by investing activities	<u>44,495</u>
Cash flows from Financing Activities:	
Restricted cash received on permanent endowments	<u>3,611</u>
Net cash flows provided by financing activities	<u>3,611</u>
Net Increase in Cash and Cash Equivalents	136,380
Cash and Cash Equivalents, January 1, 2010	<u>452,948</u>
Cash and Cash Equivalents, December 31, 2010	<u><u>\$ 589,328</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

1. Summary of significant accounting policies

Nature of Organization

The American Society of Ichthyologists and Herpetologists (the Society) is organized as a non-profit corporation for the purposes of increasing "knowledge of all kinds concerning fishes (ichthyology) and reptiles and amphibians (herpetology)." The Society's main sources of income are member dues, subscription revenue for the Society's quarterly journal, *Copeia*, revenue sharing from on line sources of *Copeia* and donations.

The major programs of the Society are the publication of the quarterly journal, *Copeia*, the publication of books on ichthyology and herpetology, the recognition of achievements in these fields through annual awards and presentation of invited and contributed talks and posters at the annual meeting by the membership.

Basis of Accounting

The financial statements of the Society have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The significant accounting policies followed are described below to enhance the usefulness to the user.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and their changes are classified as follows:

Unrestricted net assets: Net assets not subject to stipulations imposed by donors.

Temporarily restricted net assets: Net assets subject to stipulations imposed by donors that may or will be met by actions of the Governing Board and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets: Net assets subject to stipulations imposed by donors that they be maintained permanently by the Society. Generally, the donors of these assets permit the Society to use all or part of the income earned on related investments for general or specific purposes.

Marketing

The Society follows the policy of expensing all costs in connection with marketing.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2010

1. Summary of Significant Accounting Policies, (continued)Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Society considers all unrestricted and temporarily restricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments consist of mutual funds and certificates of deposit. The investments are carried at fair market value based on quoted market prices in active markets for identical assets. Realized and unrealized gains and losses are included in the accompanying statement of activities.

Deferred Revenue

Funds received in the current year for next year's subscriptions and membership dues are recorded as deferred revenue. These funds will be recognized as revenue in the succeeding year when the services are provided. Funds received for Life Memberships are recognized as revenue for all current new life members based on the amount of an annual membership.

Program income and expense

The Society considers the production costs and resulting sales income related to book publications to be program expense and revenue, respectively. The Society has not assigned a value to ending publication inventory due to the relatively short life of these publications and uncertainty of future sales. As a result, publication revenues and expenses are recorded in the year earned or incurred, respectively.

Income Taxes

The Society is a District of Columbia nonprofit corporation which has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and corresponding District of Columbia provisions. The Society is not classified as a private foundation. Accordingly, no provision for income tax expense has been made in the accompanying financial statements. The Society has adopted Accounting Standards Codification (ASC) 740, *Income Taxes*, (formerly Fin 48) and there is no tax provision that would not be sustained under examination. The Society's tax returns for the years ended December 31, 2008, 2009 and 2010 are subject to examination by federal taxing authorities, generally for three years after they are filed.



## NOTES TO FINANCIAL STATEMENTS

December 31, 2010

2. Collateralization of Deposits

The Society's cash and cash equivalents are maintained in a commercial bank account and a commercial brokerage account. The Society regularly monitors the financial stability of these financial institutions in an effort to manage the exposure to any significant credit risk in cash and cash equivalents or restricted cash. The Federal Deposit Insurance Corporation (FDIC) generally insures limited amounts per depositor per insured bank. From October 3, 2008 through December 31, 2013, the FDIC insures amounts up to \$250,000 per depositor per insured bank. The Society believes that its credit risk is not significant.

3. Investments

Investments are stated at fair market value, defined as quoted prices in active markets for identical assets. All investments are deemed Level 1 assets for purposes of ASC 820, *Fair Value Measurements and Disclosures*, and are summarized as follows:

	December 31, 2010		
	Cost	Fair Market Value	Unrealized Gain (Loss)
Certificates of Deposit	\$ 99,000	\$ 99,141	\$ 141
Mutual Funds	462,972	513,719	50,747
Mutual Funds- Permanently Restricted	118,686	132,000	13,314
Total investments	<u>\$ 680,658</u>	<u>\$ 744,860</u>	<u>\$ 64,202</u>

Investment management expenses of \$5,884 and realized gains of \$3,081 are included in the accompanying statement of activities for the year ended December 31, 2010.

4. Temporarily Restricted Assets

The Society has temporarily restricted funds created by stipulations placed on donations received. The use of these funds is restricted for the stipulated purpose, but earnings are recognized as unrestricted net assets.

*Gibbs* - Income earned from this endowment is for the purposes described in Note 6.

5. Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the supplementary information. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2010

6. Permanently Restricted Net Assets

The Society has two named endowment funds that represent gifts and bequests that have been accepted with the donor stipulation that the principal be maintained intact in perpetuity or a specified period. Income from these assets is restricted to provide scholarships and honorariums as detailed below. Accordingly, earnings are recognized as temporarily restricted net assets.

*The Robert H. Gibbs, Jr. Memorial Award* - The Gibbs Endowment presents an annual award for an outstanding body of published work in systematic ichthyology.

*The Edward C. Raney Award* - The Raney Endowment funds an award for ichthyology. The award provides support for young ichthyologists for museum or laboratory study, travel, fieldwork, or any other activity that will effectively enhance their professional careers and their contributions to the science of ichthyology.

Funds with Deficiencies - From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Society to retain as a fund of perpetual duration. These deficiencies usually result from unfavorable market fluctuations. The Society's Endowment & Finance Committee is authorized to transfer the necessary funds as needed, from unrestricted net assets to restore the endowments to their stipulated value.

Return Objectives and Risk Parameters - The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity. Under this policy, as approved by the Board of Governors, the endowment assets are invested in a manner that is intended to produce results that approximate a yield of 5% per year, while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Society has a policy of appropriating for distribution each year 5% or less of the endowment funds' average fair value for the awards described above. Accordingly the Society expects the current spending policy to allow its endowments to remain stable on an annual basis. This is consistent with the Society's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as provide adequate funding for annual awards.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

7. Fair Value of Financial Instruments

The Society financial instruments, none of which are held for trading purposes, include cash and cash equivalents, mutual fund investments, accounts receivable, deposits, accounts payable and deferred revenue. The Society estimates that the fair value of all financial instruments at December 31, 2010, does not materially differ from the aggregate carrying values of the financial instruments recorded in the accompanying financial statements.

8. Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time and support of Society program services. The value of this contributed time is not reflected in the accompanying financial statements because the criteria for recognition have not been satisfied.

9. Subsequent Event

The Society has evaluated subsequent events for possible disclosures through the date on which the financial statements were issued, noting no events that would require adjustment to or disclosure in the financial statements as of and for the year ended December 31, 2010.

**SUPPLEMENTARY INFORMATION**

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Combining Schedule of Activities

For the year ended December 31, 2010

	General Operating	Student Travel	General Endowment	Stoye	Life Membership	Annual Meeting	Gaige	Storer	Raney	Fitch	Gibbs	Total
<b>Net Assets at January 1, 2010</b>	\$ 391,489	\$ 22,981	\$ 123,205	\$ 67,152	\$ 28,048	\$ 124,198	\$ 52,757	\$ 22,475	\$ 65,594	\$ 19,221	\$ 119,137	\$ 1,036,257
<i>Support and Revenue</i>												
Membership, Subscription, Other	315,116	-	-	-	7,200	44,142	-	-	-	-	-	366,458
Donations	-	3,123	1,485	151	-	-	76	-	260	335	100	5,530
Interest & Dividends	3,897	29	1,635	1,034	934	383	874	352	1,061	286	1,706	12,191
Net Gains (loss) on Investments	18,358	-	8,780	5,771	4,728	-	5,034	1,965	5,956	1,597	9,210	61,399
Total Support and Revenue	337,371	3,152	11,900	6,956	12,862	44,525	5,984	2,317	7,277	2,218	11,016	445,578
<i>Expenses</i>												
Publication of Copeia and Other exp:	243,933	-	-	-	-	35,338	-	-	-	-	-	279,271
Awards	294	5,200	4,000	1,500	-	-	5,000	600	5,000	1,077	5,078	27,749
Total Expenses	244,227	5,200	4,000	1,500	-	35,338	5,000	600	5,000	1,077	5,078	307,020
Excess of Revenues over (Expenses	93,144	(2,048)	7,900	5,456	12,862	9,187	984	1,717	2,277	1,141	5,938	138,558
<i>Transfers</i>												
Awards	(10,000)	-	-	-	-	-	5,000	-	5,000	-	-	-
Board Designated Transfers	4,747	2,453	-	-	(7,200)	-	-	-	-	-	-	-
Total Transfers	(5,253)	2,453	-	-	(7,200)	-	5,000	-	5,000	-	-	-
<b>Change in Net Assets</b>	87,891	405	7,900	5,456	5,662	9,187	5,984	1,717	7,277	1,141	5,938	138,558
<b>Net Assets at December 31, 2010</b>	\$ 479,380	\$ 23,386	\$ 131,105	\$ 72,608	\$ 33,710	\$ 133,385	\$ 58,741	\$ 24,192	\$ 72,871	\$ 20,362	\$ 125,075	\$ 1,174,815
Unrestricted -General Operating	\$ 479,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 479,380
Unrestricted -Board Designated	-	23,386	131,105	72,608	33,710	133,385	58,741	24,192	40,871	20,362	-	538,360
Total Unrestricted	479,380	23,386	131,105	72,608	33,710	133,385	58,741	24,192	40,871	20,362	-	1,017,740
Temporarily Restricted	-	-	-	-	-	-	-	-	-	-	25,075	25,075
Permanently Restricted	-	-	-	-	-	-	-	-	32,000	-	100,000	132,000
Total Net Assets	\$ 479,380	\$ 23,386	\$ 131,105	\$ 72,608	\$ 33,710	\$ 133,385	\$ 58,741	\$ 24,192	\$ 72,871	\$ 20,362	\$ 125,075	\$ 1,174,815

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Management and General Expense

For the Year Ended December 31, 2010

Allen Press, Inc.:	
Business Management	\$ 42,313
Warehouse	<u>6,348</u>
Total Allen Press	48,661
Annual Audit	8,206
Bank Charges	3,748
Dues and Subscriptions	4,112
Web site at Tulane University	3,872
Secretary's Office	33,370
Treasurer's Office	2,709
Other expense	<u>34</u>
Total Management and General Expenses	<u>\$ 104,712</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Mutual Fund Investments

December 31, 2010

Mutual Fund	Initial Purchase Date	Cost as of December 31	Market Value as of December 31	Shares as of December 31
<i>Wells Fargo Advisors</i>				
American Century Inter. Bond Fund	October 20, 2003	\$ 26,602	\$ 25,697	1,862.105
Baron Small Cap Fund	April 18, 2008	10,732	13,252	557.255
Columbia International Bond Fund	January 4, 2001	86,315	88,578	9,776.775
Davis NY Venture Fund	December 11, 2007	70,621	78,089	2,251.044
Europacific Growth Fund	February 24, 2006	37,525	40,709	989.049
Fundamental Investors Fund	December 11, 2007	70,739	79,227	2,149.953
Growth Fund of America	April 20, 2005	105,266	117,000	3,869.050
Janus Advisors 44 Fund	December 11, 2007	47,012	49,784	1,465.529
Lazard Emerging Markets Portfolio	December 11, 2007	57,770	69,695	3,199.946
Royce Premier Fund	January 4, 2001	21,881	27,232	1,338.162
RS Inv Tr Emerging Growth Fund	December 7, 2004	10,740	13,712	324.618
William Blair International Growth Fund	December 11, 2007	<u>36,455</u>	<u>42,744</u>	1,956.259
		<u>\$ 581,658</u>	<u>\$ 645,719</u>	

Note: The column labeled "Cost as of December 31," includes the original amount invested in the fund plus reinvested interest and dividends including unrealized gains and losses of prior years.

AMERICAN SOCIETY OF RICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Cash and Cash Equivalents and Investments

December 31, 2010

	General Operating	Student Travel	General Endowment	Stoye	Life Membership	Raney	Annual Meeting	Gaige	Storer	Fitch	Gibbs	Total
<b>Cash and Cash Equivalents</b>												
Wells Fargo Advisors	\$ 174,432	\$ 24,210	\$ 9,359	\$ 1,421	\$ 6,563	\$ 1,140	\$ 135,298	\$ 925	\$ 664	\$ 244	\$ 1,633	\$ 355,889
Checking	232,054	335	250	150	-	150	-	75	-	325	100	233,439
Total Cash and Cash Equivalents	406,486	24,545	9,609	1,571	6,563	1,290	135,298	1,000	664	569	1,733	589,328
<b>Investments</b>												
Wells Fargo Advisors	193,622	-	117,374	70,211	71,752	71,147	-	55,953	23,667	19,240	121,894	744,860
Total Investments	193,622	-	117,374	70,211	71,752	71,147	-	55,953	23,667	19,240	121,894	744,860
<b>Total Cash and Cash Equivalents and Investments</b>	\$ 600,108	\$ 24,545	\$ 126,983	\$ 71,782	\$ 78,315	\$ 72,437	\$ 135,298	\$ 56,953	\$ 24,331	\$ 19,809	\$ 123,627	\$ 1,334,188