

**American Society of Ichthyologists  
And Herpetologists**

FINANCIAL STATEMENTS  
and AUDITOR'S REPORT  
December 31, 2014

Stephen W Cook



CERTIFIED PUBLIC ACCOUNTANT, PLLC

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# Stephen W Cook



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Society of Ichthyologists and Herpetologists  
Lawrence, Kansas

I have audited the accompanying financial statements of American Society of Ichthyologists and Herpetologists (the Society) (a nonprofit organization) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Supplementary and Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules on pages 9 through 13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Stephen W Cook, CPA, PLLC*

Stephen W Cook, CPA, PLLC  
San Antonio, Texas  
June 5, 2015

# **FINANCIAL STATEMENTS**

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

STATEMENT OF FINANCIAL POSITION

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 506,970	\$ 604,653
Investments	869,398	635,839
Accounts receivable	60,674	83,375
Total Current Assets	<u>1,437,042</u>	<u>1,323,867</u>
Other Assets		
Prepaid expenses	1,000	7,600
Permanently restricted investment - Endowments	132,000	132,000
Total Other Assets	<u>133,000</u>	<u>139,600</u>
Total Assets	<u>\$ 1,570,042</u>	<u>\$ 1,463,467</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 37,933	\$ 39,622
Deferred revenue	28,695	51,580
Total Current Liabilities	<u>66,628</u>	<u>91,202</u>
Deferred Revenue-Lifetime Memberships	<u>0</u>	<u>34,867</u>
Total Liabilities	<u>66,628</u>	<u>126,069</u>
Net Assets		
Unrestricted	1,338,924	1,094,581
Temporarily restricted	32,490	21,345
Permanently restricted	132,000	132,000
Total Net Assets	<u>1,503,414</u>	<u>1,247,926</u>
Total Liabilities and Net Assets	<u>\$ 1,570,042</u>	<u>\$ 1,373,995</u>

The notes to the financial statements are an integral part of these statements

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

## STATEMENT OF ACTIVITY and CHANGE IN NET ASSETS

For the Years Ended December 31, 2014 and 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2014</u>	<u>2013</u>
<b>Support and Revenues</b>					
Program Services					
Annual meeting	\$	\$ 53,951	\$	\$ 53,951	39,064
Memberships-annual	116,180			116,180	119,840
Memberships-life		2,960		2,960	1,295
Subscriptions	69,405			69,405	66,661
Publications-BioOne	49,858			49,858	52,164
Publications-JSTOR	10,600			10,600	10,353
Publications-other	3,588			3,588	200
Miscellaneous	2,541			2,541	3,192
Total program services	252,172	56,911	0	309,083	292,769
Donations		6,216		6,216	6,034
Interest and dividends	3,955	13,622		17,577	17,815
Net realized and unrealized gains and losses on investments	8,580	29,552		38,132	68,704
	264,707	106,301		371,008	385,322
Net assets released from restriction satisfaction of purpose	103,015	(103,015)			0
Total support and revenues	367,722	3,286	0	371,008	385,322
<b>Expenses</b>					
Program Services					
Publications	116,190			116,190	120,763
Annual meeting	41,620			41,620	28,171
Awards	25,386			25,386	24,949
Total program services	183,196			183,196	173,883
Management and General Expenses	90,283			90,283	121,967
Total Expenses	273,479			273,479	295,850
Increase (Decrease) in Net Assets	94,243	3,286	0	97,529	89,472
Net Assets, beginning of year	1,176,194	29,204	132,000	1,337,398	1,247,926
Prior period adjustments	68,487			68,487	0
<b>Net Assets, end of year</b>	<u>\$ 1,338,924</u>	<u>\$ 32,490</u>	<u>\$ 132,000</u>	<u>\$ 1,503,414</u>	<u>\$ 1,337,398</u>

The notes to the financial statements are an integral part of these statements

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

## STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Cash Flows from Operating Activities:</b>		
Increase (decrease) in net assets	\$ 97,529	\$ 89,472
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Change in accounts receivable	22,701	(36,611)
Change in accounts payable	(1,689)	12,298
Change in deferred revenues	<u>(57,752)</u>	<u>(25,785)</u>
Net cash provided (used) by operating activities	60,789	39,374
 <b>Cash Flows From Investing Activities</b>		
Net realized and unrealized gains on investments	(233,559)	(72,492)
Change in prepaid expenses	6,600	11,592
Change in dividends receivable	<u>0</u>	<u>557</u>
Net cash flow provided (used) by investing activities	(226,959)	(60,343)
 <b>Cash Flows From Investing Activities</b>		
Change in net assets	<u>68,487</u>	<u>0</u>
 <b>Net Increase (Decrease) in cash and cash equivalents</b>	(97,683)	(20,969)
Cash and cash equivalents-beginning of period	<u>604,653</u>	<u>625,622</u>
<b>Cash and cash equivalents-end of period</b>	<u>\$ 506,970</u>	<u>\$ 604,653</u>

The notes to the financial statements are an integral part of these statements



## **SUPPLEMENTARY SCHEDULES**

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS****SUPPLEMENTARY SCHEDULE - ONE****COMBINING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS**

For the Years Ended December 31, 2014 and 2013

	General Operating	Annual Meeting	Fitch	Gaige	General Endowment
<b>Net Assets @ December 31, 2013</b>	\$ 596,553	\$ 112,090	\$ 20,967	\$ 69,582	\$ 145,866
<b>Support and Revenue</b>					
Memberships, Subscriptions, Other	306,123				
Donations			85	255	805
Interest & dividends	3,955	879	439	1,406	2,461
Net gains(loss) on investments	8,580	1,907	953	3,051	5,338
Total support and revenue	318,658	2,785	1,478	4,712	8,604
<b>Expenses</b>					
Publications	116,190				
Other expenses	131,903				
Awards	80	0	1,080	5,000	158
Total expenses	248,173	0	1,080	5,000	158
Excess of Revenues/(Expenses)	70,485	2,785	398	(288)	8,446
<b>Other changes</b>					
Awards	0			0	
Prior period adjustments	33,620				
Board designated	(1,111)	0	0	288	0
Total transfers	32,509	0	0	288	0
<b>Change in Net Assets</b>	102,994	2,785	398	(0)	8,446
<b>Net assets @ December 31, 2014</b>	699,547	114,875	21,365	69,582	154,312
Unrestricted	699,547	114,875	21,365	69,582	154,312
Temporarily restricted					
Permanently restricted					
<b>Net assets @ December 31, 2014</b>	\$ 699,547	\$ 114,875	\$ 21,365	\$ 69,582	\$ 154,312

	Gibbs	Life Membership	Meritorius Teaching	Raney	Storer	Stoye	Student Travel	Total
\$	129,204	\$ 43,552	\$ 0	\$ 85,831	\$ 27,614	\$ 81,007	\$ 25,132	\$ 1,337,398
		2,960						309,083
	10	0		295	45	245	4,476	6,216
	2,637	1,230	264	1,670	527	1,582	527	17,577
	5,720	2,669	572	3,623	1,144	3,432	1,144	38,132
	<u>8,366</u>	<u>6,860</u>	<u>836</u>	<u>5,587</u>	<u>1,716</u>	<u>5,259</u>	<u>6,147</u>	<u>371,008</u>
								116,190
								131,903
	5,080	0	190	4,998	600	1,800	6,400	25,386
	<u>5,080</u>	<u>0</u>	<u>190</u>	<u>4,998</u>	<u>600</u>	<u>1,800</u>	<u>6,400</u>	<u>273,479</u>
	3,286	6,860	646	589	1,116	3,459	(253)	97,529
				0				
		34,867						68,487
	0	0	0	0	0	0	823	0
	<u>0</u>	<u>34,867</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>823</u>	<u>68,487</u>
	<u>3,286</u>	<u>41,727</u>	<u>646</u>	<u>589</u>	<u>1,116</u>	<u>3,459</u>	<u>570</u>	<u>166,016</u>
	<u>132,490</u>	<u>85,279</u>	<u>646</u>	<u>86,420</u>	<u>28,730</u>	<u>84,466</u>	<u>25,702</u>	<u>1,503,414</u>
		85,279	646	54,420	28,730	84,466	25,702	1,338,924
	32,490							32,490
	100,000			32,000				132,000
\$	<u>132,490</u>	<u>85,279</u>	<u>646</u>	<u>86,420</u>	<u>28,730</u>	<u>84,466</u>	<u>25,702</u>	<u>1,503,414</u>

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

## SUPPLEMENTAL SCHEDULE - TWO

## STATEMENT OF MUTUAL FUND INVESTMENTS

December 31, 2014

<b>Mutual Fund</b>	<b>Original Purchase Date</b>	<b>Number of Shares</b>	<b>Original Cost</b>	<b>FMV at 12/31/2014</b>	<b>Unrealized Gain/(Loss)</b>
AMG Funds, Managers Bond Fund	10/13/11	2,487.590	\$ 67,324	\$ 69,329	\$ 2,005
American Century Growth Fund	10/13/11	1,790.592	49,422	52,196	2,774
Artio Global Investment Funds, Aberdeen Total Return BD	10/13/11	5,354.861	72,917	71,166	(1,751)
Cohen and Steers Realty Shares	10/13/11	298.937	18,077	22,976	4,899
Dodge and Cox Stock Fund	10/13/11	339.974	41,926	61,515	19,589
Dreyfus Appreciation Fund	10/13/11	1,123.403	49,638	60,563	10,925
Europacific Growth Fund	09/04/12	626.493	25,436	29,458	4,022
Fidelity Advisor VIII Strategic Income	10/03/14	3,233.935	40,213	39,098	(1,115)
Goldman Sachs Financial Square Treasury	09/02/14	7,528.330	7,528	7,528	0
Goldman Sachs Strategic Income Fund	09/12/13	3,821.999	40,130	39,290	(840)
Heartland Group Value Plus Fund	10/13/11	956.864	28,864	30,208	1,344
JP Morgan Intrepid Value Fund	9/13/13	1,747.378	46,912	63,010	16,098
MFS Emerging Markets Debt Fund	10/13/11	2,006.147	31,026	29,109	(1,917)
Oppenheimer International Bond Fund Class Y	10/13/11	8,316.773	52,379	49,152	(3,227)
Oppenheimer Senior Floating Rate Fund	9/12/13	2,440.292	20,367	19,742	(625)
Pimco Funds Pacific Investment Management Total Return	10/13/11	3,798.226	24,695	17,016	(7,679)
RS Investment Trust-Value Fund	10/13/11	949.048	25,347	31,537	6,190
Thornburg Investment Trust Income Builder Fund	10/13/11	3,756.027	72,393	78,914	6,521
Virtus Emerging Markets Opportunity Fd	10/13/11	1,924.667	18,730	19,035	305
Wells Fargo Advantage Endeavor	10/13/11	2,300.573	25,492	31,058	5,566
Wells Fargo Emerging Markets Equity Fd	9/12/13	1,822.739	40,352	37,767	(2,585)
Alger Smallcap and Midcap Growth	10/31/11	1,803.076	29,125	30,995	1,870
Investment Managers Trst Oak Ridge	10/13/11	539.388	16,920	21,036	4,116
Metropolitan Est Fds Total Return	10/13/11	8,228.533	87,154	89,700	2,546
			<u>\$ 932,367</u>	<u>\$ 1,001,398</u>	<u>\$ 69,031</u>

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

SUPPLEMENTARY SCHEDULE - THREE

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Management and General Expenses:</b>		
Allen Press Expenses:		
Allen Press-Management Fee	\$ 34,303	\$ 34,631
Allen Press-Warehouse Fee	2,799	3,497
Allen Press-Marketing	4,052	3,140
Allen Press-Electronic Site	2,526	1,494
Audit	8,500	9,080
Bank Fees	2,828	3,710
Dues and Subscriptions	8,320	6,288
Investment Fees	0	14,426
Secretary's Office Expense	24,363	38,657
Treasurer's Office Expense	68	1,855
Web Site	2,524	5,179
Miscellaneous	0	10
	<u>\$ 90,283</u>	<u>\$ 121,967</u>

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

## SUPPLEMENTAL SCHEDULE - FOUR

## STATEMENT OF CASH, CASH EQUIVALENTS AND INVESTMENTS

December 31, 2014 and 2013

	<u>General Operating</u>	<u>Annual Meeting</u>	<u>Fitch</u>	<u>Gaige</u>	<u>General Endowment</u>	<u>Gibbs</u>	<u>Life Member</u>	<u>Merit Teaching</u>	<u>Raney</u>	<u>Storer</u>	<u>Stoye</u>	<u>Student Travel</u>	<u>Total</u>
<b>Cash and Cash Equivalents</b>													
US Bank	\$ 24,214	\$ 5,381	\$ 2,690	\$ 8,610	\$ 15,067	\$ 16,143	\$ 7,533	\$ 1,614	\$ 10,224	\$ 3,229	\$ 9,686	\$ 3,229	\$ 107,619
Wells Fargo	38,104	8,468	4,234	13,548	23,709	25,403	11,855	2,540	16,088	5,081	15,242	5,081	169,351
Wells Fargo	51,750	11,500	5,750	18,400	32,200	34,500	16,100	3,450	21,850	6,900	20,700	6,900	230,000
	<u>114,068</u>	<u>25,349</u>	<u>12,674</u>	<u>40,558</u>	<u>70,976</u>	<u>76,046</u>	<u>35,488</u>	<u>7,605</u>	<u>48,162</u>	<u>15,209</u>	<u>45,627</u>	<u>15,209</u>	<u>506,970</u>
<b>WF-Investment</b>													
Investments	195,615	43,470	21,735	69,552	121,716	130,410	60,858	13,041	82,593	26,082	78,246	26,082	869,398
Restricted						132,000							132,000
	<u>195,615</u>	<u>43,470</u>	<u>21,735</u>	<u>69,552</u>	<u>121,716</u>	<u>262,410</u>	<u>60,858</u>	<u>13,041</u>	<u>82,593</u>	<u>26,082</u>	<u>78,246</u>	<u>26,082</u>	<u>1,001,398</u>
<b>Total</b>	<u>\$ 309,683</u>	<u>\$ 68,818</u>	<u>\$ 34,409</u>	<u>\$ 110,109</u>	<u>\$ 192,692</u>	<u>\$ 338,455</u>	<u>\$ 96,346</u>	<u>\$ 20,646</u>	<u>\$ 130,755</u>	<u>\$ 41,291</u>	<u>\$ 123,873</u>	<u>\$ 41,291</u>	<u>\$ 1,508,368</u>

# **NOTES TO FINANCIAL STATEMENTS**

# **AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2014

### **NOTE 1 – 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 fish (ichthyology), and reptile and amphibians (herpetology).” The society’s main sources of income are member dues, subscription revenue from the society’s quarterly journal, *Copeia*, revenue sharing from virtual sources of the *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.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Date of Management’s Review**

Subsequent events were evaluated through June 5, 2015, which is the date of the financial statements.

#### **B. Basis of Presentation and Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting. The Corporation’s activities and net assets are classified in the financial statements as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor imposed restrictions. These classifications are described as follows:

Unrestricted – those resources over which the board of directors has discretionary control. Board designated amounts represent those revenues which the board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restriction which will be satisfied by action of the Organization or passage of time.

Permanently Restricted – Those resources subject to a donor imposed restriction that they be maintained permanently by the Organization.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increase or decrease in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

#### **C. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Corporation considers all highly liquid investments with an initial maturity of three months or less to be a cash equivalent.

#### **D. Investments**

Investments consist of mutual funds and money market instruments. 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.



## **AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2014

#### **E. Accounts Receivable**

All receivables are reported at their gross value. The Corporation uses the direct write-off method to account for bad debt. No allowance for bad debt is used. Estimated unbilled revenues for membership fees have not been recognized as of the end of the year as they are considered immaterial at December 31, 2014, the amount was \$60,674.

#### **F. Deferred Revenue**

Funds received in the current year for next years services are carried 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.

#### **G. Program Income and Expenses**

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 the uncertainty of future sales. As a result, publication revenues and expenses are recorded in the year earned or incurred, respectively.

#### **H. Functional Allocation of Expenses**

Expenses are specifically allocated to the various programs and supporting services whenever practical. When this is impractical, allocations are made on the basis of time and expense reports, space utilization or the best estimates of management.

#### **I. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **J. Income Taxes**

The Society is a non-profit organization that is exempt from income taxes under Section 501 (C) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. However, income from certain activities not directly related to the Society's tax exempt purpose is subject to federal income tax as unrelated business income. Management has determined that the Society has no current obligations for unrelated business income tax. Accordingly, no provisions for federal income taxes are required. All filings with the Internal Revenue Service are current.

#### **NOTE 3 – CASH, TEMPORARY INVESTMENTS and INVESTMENTS**

Cash and temporary investments consist of checking, and money market accounts. The Society's cash and temporary investments are partially protected by the Federal Deposit Insurance (FDIC). Investments consist primarily of mutual funds.

All cash, temporary investments and investments are stated at fair market value as of the last day of the fiscal year. See the Supplementary Schedule Four for detail. A summary of fair market value is as follows:

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2014

<b>Institution</b>	<b>Type</b>	<b>Cost</b>	<b>Fair Market Value</b>
Cash and Equivalents:			
U S Bank	Checking	\$ 107,619	\$ 107,619
Wells Fargo	Checking	169,351	169,351
Wells Fargo	Money Market	230,000	230,000
		<u>506,970</u>	<u>506,970</u>
Investments:			
Wells Fargo Investment Account	Investment	800,367	869,398
Wells Fargo Investment Account	Restricted	132,000	132,000
		<u>932,367</u>	<u>1,001,398</u>
		<u>\$ 1,439,337</u>	<u>\$ 1,508,368</u>

**NOTE 4 – PERMANENTLY RESTRICTED NET ASSETS**

**Endowment Funds**

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. According, 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 to citizens of a western Hemisphere nation.

*The Edward C. Raney Award:*

The Raney Endowment funds an award for ichthyology. The award provides support for young student 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 Uniform Prudent Management of Institutional funds act requires the society to retain as a fund of perpetual duration. The deficiencies usually result from unfavorable market fluctuations. The society's Endowment and Financial Committee is authorized to transfer the necessary funds as needed, from unrestricted net assets to restore the endowments to their stipulated value.

**Objective 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.

## **AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2014

#### **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

dividend). The society targets a diversified asset allocation that places equal emphasis on equity based on income investments 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 objectives to maintain the purchasing power of the endowment assets held in perpetuity as well as provide adequate funding for annual awards.

#### **NOTE 5 – CONTRIBUTED SERVICES**

A substantial number of unpaid volunteers have made significant contributions of their time and support of the 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.

#### **NOTE 6 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of this report. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

#### **NOTE 7 – RELATED PARTY TRANSACTIONS**

There were no related party transactions that were material to the financial statements during the fiscal year.

**AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2014

**NOTE 8—OFFICERS AND CONTACT INFORMATION**

<b><u>Name</u></b>	<b><u>Position</u></b>
<b>Officers:</b>	
Larry Allen	President
Maureen Donnelly	President Elect
Brad Shaffer	Past President
William Mathews	Prior Past President
F Douglas Martin	Treasurer
Maureen Donnelly	Secretary
Christopher Deachy	Editor

**Historians:**

David Smith

Joseph Mitchell

**Offices:**

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# Stephen W Cook



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## MANAGEMENT LETTER

To the Board of Directors  
The American Society of Ichthyologists and Herpetologist.  
Lawrence, Kansas

In planning and performing my audit of the financial statements of the American Society of Ichthyologists and Herpetologist for the year ended December 31, 2014, I considered the Society's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, I do not express an opinion on the effectiveness of the Society's internal control.

During my audit, I did not become aware of any opportunities for strengthening internal controls and operating efficiency.

### **Organizational Structure**

The Society does not maintain an accounting and administrative staff. The Society subcontracts the day-to-day financial activities to a bonded third party (Allen Press). Allen Press performs a number of functions including billing and collecting all revenues. The Society engages a money management team to manage their cash resources. The Society's treasurer reviews all Allen Press and money manager activities, and records all transactions in the Society's accounting system.

Given the complexity of the entity's operation, the out sourcing options appears to be a best practice. The treasurer's active involvement incorporates a level of internal controls into the process.

We would, however, remind the Board of Directors that they have a fiduciary responsibility to protect the assets of the organization.

This report is intended solely for the information and use of management, the finance committee, Board of Directors, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Stephen W Cook, CPA*

Stephen W Cook, CPA  
San Antonio, Texas  
June 5, 2015