

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

**FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2001

with

INDEPENDENT AUDITORS' REPORT

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

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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, 2001, 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.

As described in Note 2 to the financial statement, the Society records life membership revenue on the cash basis as funds are received. In our opinion, such revenue should be recorded as it is earned over the estimated life expectancy of the respective members to conform with generally accepted accounting principles. The effects of this departure from generally accepted accounting principles on the financial statements are not reasonably determinable.

In our opinion, except for the effects of recording life memberships on the cash basis as discussed in the preceding paragraph, 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, 2001, 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 Gamm & Associates A.C.

July 5, 2002

Fountain Valley, California

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

STATEMENT OF FINANCIAL POSITION

December 31, 2001

ASSETS

Current assets:

Cash and Cash Equivalents:	\$ 282,621
Investments	464,216
Prepaid Expenses	45,000

Total Current Assets	<u>791,837</u>
Total Assets	<u><u>\$ 791,837</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 36,396
Deferred Revenue	114,210
Total Current Liabilities	<u>150,606</u>

Net Assets

Unrestricted Net Assets

General Operating	133,182
Board Designated:	
General Endowment	100,302
Graduate Student Travel Fund	5,137
Stoye	63,971
Life Membership	57,148
Special Publications	45,000
Gaige	41,942
Storer	21,164
Raney	20,117
Fitch	13,166
Total Unrestricted Net Assets	<u>501,129</u>

Temporarily Restricted Net Assets

Gibbs	1,898
Fitch	6,204
Raney	
Total Temporarily Restricted Net Assets	<u>8,102</u>

Permanently Restricted Net Assets

Gibbs	100,000
Raney	32,000
Total Permanently Restricted Net Assets	<u>132,000</u>
Total Net Assets	<u><u>641,231</u></u>

Total Liabilities and Net assets	<u><u>\$ 791,837</u></u>
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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, 2001

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Support and Revenue				
<i>Program Services</i>				
Membership Services	\$ 94,179	\$	\$	\$ 94,179
Subscriptions	125,790			125,790
Page Charges	19,049			19,049
Special Publications	3,621			3,621
Life Memberships	9,138			9,138
Copeia Back Issues	1,477			1,477
Other	1,384			1,384
<i>Donations</i>	2,991	-		2,991
<i>Interest & Dividends</i>	15,793	3,009		18,802
<i>Net Realized and Unrealized Gains and (losses on Investments)</i>	(54,531)	(9,110)		(63,641)
<i>Net Assets Released from Restrictions</i>	8,337	(8,337)		
Total Support and Revenue	<u>227,228</u>	<u>(14,438)</u>		<u>212,790</u>
Expenses:				
<i>Program Services:</i>				
Publication of Copeia	140,461			140,461
Editorial Office	51,476			51,476
Annual Meeting Program	2,821			2,821
Awards	22,896			22,896
Total Program Services	<u>217,654</u>			
<i>Supporting Services:</i>				
Management and General	<u>70,036</u>			<u>70,036</u>
Total Program and Supporting Services				<u>287,690</u>
Change in Net Assets	(60,462)	(14,438)		(74,900)
Net Assets, January 1, 2001	<u>561,591</u>	<u>22,540</u>	<u>132,000</u>	<u>716,131</u>
Net Assets, December 31, 2001	<u>\$ 501,129</u>	<u>\$ 8,102</u>	<u>\$ 132,000</u>	<u>\$ 641,231</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, 2001

Increase (Decrease) in Cash

	<u>2001</u>
Cash Flows from Operating Activities:	
Decrease in net assets	\$ (74,900)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Net realized and unrealized losses on investments	63,641
Change in prepaid expenses	(40,414)
Change in accounts payable	3,756
Change in deferred revenue	24,199
Net Cash Provided (Used) by Operating Activities	<u>(23,718)</u>
Cash Flows from Investing Activities:	
Proceeds from sales and maturity of Investments	153,062
Purchase of Investments	<u>(511,248)</u>
Net cash flows provided (used) by investing activities	<u>(358,186)</u>
Net Decrease in Cash and Cash Equivalents	(381,904)
Cash and Cash Equivalents, January 1, 2001	<u>664,525</u>
Cash and Cash Equivalents, December 31, 2001	<u><u>\$ 282,621</u></u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

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 fish (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, 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), except life membership revenue is recognized on the cash basis. The cash basis differs from GAAP primarily because revenue is recorded when received rather than when earned. 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.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

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. The investments are carried at fair market value based on quoted market prices. Unrealized gains and losses are included in the change in net assets.

Deferred Revenue

Funds received in the current year for next year's membership dues and subscriptions are recorded as deferred revenue. The funds for membership dues and subscriptions will be recognized as revenue in the succeeding year.

Program income and expense

The Society considers the production cost 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. Future revenues, if any, resulting from the sales of these publications will be included as program revenue in the year earned.

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. Accordingly, no provision for income tax expense has been made in the accompanying financial statements.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

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 has exposure to credit risk to the extent that these amounts exceed amounts covered by federal deposit insurance. The Society believes that its credit risk is not significant.

3 Investments

Investments are stated at fair market value and are summarized as follows:

	December 31, 2001		
	Cost	Fair Market Value	Unrealized Gain (Loss)
Mutual funds	\$ 511,248	\$	\$
Other securities			
	<u>\$ 511,248</u>	<u>\$ 464,216</u>	<u>\$ (47,032)</u>

Investment management expenses, which are included in net realized and unrealized gains and losses, were \$6,699 for the year ended December 31, 2001.

4. Prepaid expenses

Prepaid expenses of \$45,000 were incurred during 2001 in connection with a special publication to be released subsequent to the current year.

5. Temporarily Restricted Assets

The Society has three 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 and Raney - Income earned from these two named endowments is for the purposes described in Note 6.

Henry S. Fitch Award - This fund is to be used for an annual award for excellence in herpetology.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

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.

7. Reclassification of Prior Year Balances

Certain reclassifications have been made to prior year balances in order to conform to present year classifications.

SUPPLEMENTARY INFORMATION

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Combining Schedule of Activities

For the year ended December 31, 2001

	General Operating	Student Travel	General Endowment	Stoye
Net Assets at January 1, 2001	\$ 180,694	\$ 4,707	\$ 105,257	\$ 68,853
<i>Support and Revenue</i>				
Membership, Subscription, Other Revenue	245,500			
Donations	-	1,997	994	
Interest & Dividends	7,368	167	2,211	1,703
Net Realized and Unrealized Gain (loss) on Investments	(19,528)	-	(8,160)	(5,335)
Total Support and Revenue		2,164	(4,955)	(3,632)
<i>Expenses</i>				
Publication of Copeia and Other expenses	264,794			
Awards	396	3,000		1,250
Total Expenses				
Excess of Revenues Over Expenses	(31,850)	(836)	(4,955)	(4,882)
<i>Transfers</i>				
Awards	(10,396)			
Board Designated Transfers	(5,266)	1,266		
Total Transfers	(62)			
Change in Net Assets	(47,512)	430	(4,955)	(4,882)
Net Assets at December 31, 2001	\$ 133,182	\$ 5,137	\$ 100,302	\$ 63,971
Unrestricted -General Operating	\$ 133,182	\$ -	\$ -	\$ -
Unrestricted -Board Designated	-	5,137	100,302	63,971
Total Unrestricted	133,182			
Temporarily Restricted				
Permanently Restricted				
Total Net Assets	\$ 133,182	\$ 5,137	\$ 100,302	\$ 63,971

Life Membership	Special Publications	Gaige	Storer	Raney	Fitch	Gibbs	Total
\$ 57,198	\$ 45,000	\$ 44,270	\$ 23,252	\$ 55,256	\$ 16,217	\$ 115,427	\$ 716,131
9,138							254,638
		-	-	-	-	-	2,991
1,457	-	1,119	499	1,176	409	2,693	18,802
(10,645)	-	(3,447)	(1,837)	(4,315)	(1,256)	(9,118)	(63,641)
(50)	-	(2,328)	(1,338)				212,790
							264,794
		5,000	750	5,000	-	7,500	22,896
(50)	-	(7,328)	(2,088)	(8,139)	(847)	(13,925)	(74,900)
		5,000		5,000	-	396	
					4,000		
		5,000	-	5,000	4,000	396	
(50)	-	(2,328)	(2,088)	(3,139)	3,153	(13,529)	(74,900)
\$ 57,148	\$ 45,000	\$ 41,942	\$ 21,164	\$ 52,117	\$ 19,370	\$ 101,898	\$ 641,231
\$ -	-	-	-	-	-	-	133,182
57,148	45,000	41,942	21,164	20,117	13,166	-	367,947
57,148	45,000	41,942	21,164	20,117	13,166	-	501,129
	-	-	-	-	6,204	1,898	8,102
	-	-	-	32,000	-	100,000	132,000
\$ 57,148	\$ 45,000	\$ 41,942	\$ 21,164	\$	\$ 19,370	\$	\$

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Management and General Expenses

For the Year Ended December 31, 2001

Annual Audit	\$ 4,900
Annual Meeting	3,863
Bank Charges	1,469
Business Management (Allen Press)	28,324
Dues and Subscriptions	4,027
Miscellaneous	1,794
Secretary's Office	25,546
Treasurer's Office	113
Total Management and General Expenses	<u>\$ 70,036</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Investments

December 31, 2001

Mutual Fund	Initial Purchase Date	Cost as of December 31	Market Value as of December 31	Shares as of December 31
<i>Salomon Smith Barney</i>				
Credit Suisse Small Cap Growth Fund	January 4, 2001	\$ 42,965	\$ 41,090	2,246.597
Credit Suisse Global Fixed Income Fund	January 4, 2001	25203	24,690	2,474.600
Dreyfus Emerging Markets Fund	January 4, 2001	24551	25,043	2,208.393
Janus High Yield Fund	January 4, 2001	67755	65,781	7,020.358
Stein Roe Intermediate Bond Fund	January 4, 2001	24854	25,136	2,837.072
PBHG Large Cap Growth Fund	January 4, 2001	148363	115,392	5,547.705
Royce Premier Fund	January 4, 2001	33845	36,238	3,438.121
Scudder International Fund	January 4, 2001	28979	22,009	600.346
Smith Barney Fundamental Value Fund	January 4, 2001	114,733	108,837	7,926.921
		<u>\$ 511,248</u>	<u>\$ 464,216</u>	

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

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Cash and Cash Equivalents and Investments

December 31, 2001

	<u>General Operating</u>	<u>Student Travel</u>	<u>General Endowment</u>	<u>Stoye</u>
Cash and Cash Equivalents				
Salomon Smith Barney	\$ 5,013	\$ 4,399	\$ 28,317	\$ 19,981
Checking	<u>120,044</u>	<u>739</u>	<u>4,706</u>	
Total Cash	125,057	5,138	33,023	19,981
Investments				
Salomon Smith Barney	<u>157,886</u>		<u>66,534</u>	<u>43,503</u>
Total Investments	<u>157,886</u>		<u>66,534</u>	<u>43,503</u>
Total Cash and Cash Equivalents and Investments	<u>\$ 282,943</u>	<u>\$ 5,138</u>	<u>\$ 99,557</u>	<u>\$ 63,484</u>

<u>Life Membership</u>	<u>Raney</u>	<u>Special Publication Number Five</u>	<u>Gaige</u>	<u>Storer</u>	<u>Fitch</u>	<u>Gibbs</u>	<u>Total</u>
\$ 6,124	\$ 16,847	\$	\$ 13,673	\$ 6,844	\$ 9,008	\$ 27,534	\$ 137,740
<u>19,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,881</u>
25,516	16,847		13,673	6,844	9,008	27,534	282,621
<u>35,543</u>	<u>34,912</u>	<u>-</u>	<u>27,971</u>	<u>14,691</u>	<u>10,246</u>	<u>72,930</u>	<u>464,216</u>
<u>35,543</u>	<u>34,912</u>	<u>-</u>	<u>27,971</u>	<u>14,691</u>	<u>10,246</u>	<u>72,930</u>	<u>464,216</u>
<u>\$ 61,059</u>	<u>\$ 51,759</u>	<u>\$ -</u>	<u>\$ 41,644</u>	<u>\$ 21,535</u>	<u>\$ 19,254</u>	<u>\$ 100,464</u>	<u>\$ 746,837</u>