

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

**FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2004

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, 2004, 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, 2004, 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.

May 11, 2005
Fountain Valley, California

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS
STATEMENT OF FINANCIAL POSITION
December 31, 2004

ASSETS

Current assets:

Cash and Cash Equivalents:	\$ 152,716
Investments	441,559
Dividends Receivable	2,991
Prepaid deposit - 2005 editorial expenses	<u>32,000</u>
Total Current Assets	629,266

Permanently Restricted Cash - Endowments	32,000
Permanently Restricted Investments - Endowments	<u>100,000</u>
Total Assets	<u>\$ 761,266</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 37,288
Deferred Revenue	<u>68,578</u>
Total Current Liabilities	105,866
Deferred Revenue - Lifetime Memberships	<u>41,943</u>
Total Liabilities	147,809

Net Assets

Unrestricted Net Assets

General Operating	104,991
Board Designated:	
General Endowment	119,886
Graduate Student Travel Fund	7,983
Stoye	68,135
Life Membership	33,442
Gaige	49,679
Storer	22,531
Raney	29,227
Fitch	<u>22,388</u>
Total Unrestricted Net Assets	<u>458,262</u>

Temporarily Restricted Net Assets

Gibbs	<u>23,195</u>
Total Temporarily Restricted Net Assets	<u>23,195</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	613,457
Total Liabilities and Net assets	<u>\$ 761,266</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, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue				
<i>Program Services</i>				
Memberships	\$ 120,340	\$ -	\$ -	\$ 120,340
Subscriptions	104,820	-	-	104,820
Page Charges	2,195	-	-	2,195
Special Publications	11,684	-	-	11,684
BioOne	14,994	-	-	14,994
Annual Meeting	11,493	-	-	11,493
Life Memberships	1,748	-	-	1,748
Copeia Back Issues	1,496	-	-	1,496
Other	5,230	-	-	5,230
<i>Donations</i>	12,433	-	-	12,433
<i>Interest & Dividends</i>	7,777	1,696	-	9,473
<i>Net Realized and Unrealized Gains and (losses) on Investments</i>	-	-	-	-
	32,330	7,584	-	39,914
<i>Net Assets Released from Restrictions</i>	5,000	(5,000)	-	-
Total Support and Revenue	331,540	4,280	-	335,820
Expenses:				
<i>Program Services:</i>				
Publication of Copeia	112,242	-	-	112,242
Donations	2,000	-	-	2,000
Editorial Office	32,000	-	-	32,000
Annual Meeting Program	9,890	-	-	9,890
Awards	22,244	-	-	22,244
Total Program Services	178,376	-	-	178,376
<i>Supporting Services:</i>				
Management and General	95,944	-	-	95,944
Total Program and Supporting Services	274,320	-	-	274,320
Change in Net Assets	57,220	4,280	-	61,500
Net Assets, January 1, 2004,	400,504	19,453	132,000	551,957
Net Assets, December 31, 2004	\$ 457,724	\$ 23,733	\$ 132,000	\$ 613,457

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, 2004

Increase (Decrease) in Cash

Cash Flows from Operating Activities:	
Increase in net assets	\$ 61,500
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Net realized and unrealized gains on investments	(39,914)
Change in dividends receivable	(1,302)
Change in deposits	(32,000)
Change in accounts payable	821
Change in deferred revenue	13,688
Change in deferred revenue - Lifetime Memberships	<u>7,221</u>
Net Cash Provided (Used) by Operating Activities	10,014
Cash Flows from Investing Activities:	
Proceeds from sales and maturity of Investments	67,563
Investment of restricted cash flows on permanent endowments	(273)
Purchase of Investments	<u>(71,973)</u>
Net cash flows provided (used) by investing activities	<u>(4,683)</u>
Cash flows from Financing Activities:	
Restricted cash received on permanent endowments	<u>273</u>
Net cash flows provided by financing activities	<u>273</u>
Net Decrease in Cash and Cash Equivalents	5,604
Cash and Cash Equivalents, January 1, 2004	<u>147,112</u>
Cash and Cash Equivalents, December 31, 2004	<u>\$ 152,716</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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). 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.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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 are recorded as deferred revenue. The funds for membership dues will be recognized as revenue in the succeeding year when the services are provided. Funds received for Life Memberships are recognized as revenue over the duration of the life member.

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. 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. The Society is not classified as a private foundation. Accordingly, no provision for income tax expense has been made in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

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, 2004		
	Cost	Fair Market Value	Unrealized Gain (Loss)
Mutual Funds	\$ 409,465	\$ 441,559	\$ 32,094
Mutual Funds- Permanently Restricted	92,946	100,000	7,054
	<u>\$ 502,411</u>	<u>\$ 541,559</u>	<u>\$ 39,148</u>

Investment management expenses of \$7,556 and realized gains of \$3,735 are included in the accompanying statement of activities for the year ended December 31, 2004.

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 5.

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

5. 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.

6. Fair Value of Financial Instruments

The Society financial instruments, none of which are held for trading purposes, include cash, mutual fund investments, deposits, accounts payable and deferred revenue. The Society estimates that the fair value of all financial instruments at December 31, 2004, do not materially differ from the aggregate carrying values of the financial instruments recorded in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Combining Schedule of Activities

For the year ended December 31, 2004

	General Operating	Student Travel	General Endowment	Stoye
Net Assets at January 1, 2004	\$ 79,609	\$ 4,950	\$ 107,033	\$ 6,745
<i>Support and Revenue</i>				
Membership, Subscription, Other Revenue	272,252	-	-	-
Donations	-	4,969	3,233	-
Interest & Dividends	2,447	64	1,443	888
Net Realized and Unrealized Gain (loss) on Investments	10,337	-	5,708	3,752
Total Support and Revenue	285,036	5,033	10,384	4,640
<i>Expenses</i>				
Publication of Copeia and Other expenses	250,314	-	-	-
Awards	-	4,000	-	1,250
Total Expenses	250,314	4,000	-	1,250
Excess of Revenues over (Expenses)	34,722	1,033	10,384	3,390
<i>Transfers</i>				
Awards	(11,000)	-	-	-
Board Designated Transfers	1,660	2,000	2,469	-
Total Transfers	(9,340)	2,000	2,469	-
Change in Net Assets	25,382	3,033	12,853	3,390
Net Assets at December 31, 2004	\$ 104,991	\$ 7,983	\$ 119,886	\$ 68,135
Unrestricted -General Operating	\$ 104,991	\$ -	\$ -	\$ -
Unrestricted -Board Designated	-	7,983	119,886	68,135
Total Unrestricted	104,991	7,983	119,886	68,135
Temporarily Restricted	-	-	-	-
Permanently Restricted	-	-	-	-
Total Net Assets	\$ 104,991	\$ 7,983	\$ 119,886	\$ 68,135

Life Membership	Symposium Donation	Gaige	Storer	Raney	Fitch	Gibbs	Total
\$ 31,403	\$ -	\$ 45,726	\$ 21,453	\$ 56,514	\$ 21,071	\$ 119,453	\$ 551,957
1,748	-	-	-	-	-	-	274,000
-	4,231	-	-	-	-	-	12,433
878	-	680	301	836	279	1,657	9,473
3,073	-	3,273	1,277	3,872	1,038	7,584	39,914
<u>5,699</u>	<u>4,231</u>	<u>3,953</u>	<u>1,578</u>	<u>4,708</u>	<u>1,317</u>	<u>9,241</u>	<u>335,820</u>
-	1,762	-	-	-	-	-	252,076
-	-	5,000	500	4,995	1,000	5,499	22,244
-	<u>1,762</u>	<u>5,000</u>	<u>500</u>	<u>4,995</u>	<u>1,000</u>	<u>5,499</u>	<u>274,320</u>
<u>5,699</u>	<u>2,469</u>	<u>(1,047)</u>	<u>1,078</u>	<u>(287)</u>	<u>317</u>	<u>3,742</u>	<u>61,500</u>
-	-	5,000	-	5,000	1,000	-	-
<u>(3,660)</u>	<u>(2,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,660)</u>	<u>(2,469)</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
<u>2,039</u>	<u>-</u>	<u>3,953</u>	<u>1,078</u>	<u>4,713</u>	<u>1,317</u>	<u>3,742</u>	<u>61,500</u>
<u>\$ 33,442</u>	<u>\$ -</u>	<u>\$ 49,679</u>	<u>\$ 22,531</u>	<u>\$ 61,227</u>	<u>\$ 22,388</u>	<u>\$ 123,195</u>	<u>\$ 613,457</u>
\$ -	-	-	-	-	-	-	104,991
33,442	-	49,679	22,531	29,227	22,388	-	353,271
33,442	-	49,679	22,531	29,227	22,388	-	458,262
-	-	-	-	-	-	23,195	23,195
-	-	-	-	32,000	-	100,000	132,000
<u>\$ 33,442</u>	<u>\$ -</u>	<u>\$ 49,679</u>	<u>\$ 22,531</u>	<u>\$ 61,227</u>	<u>\$ 22,388</u>	<u>\$ 123,195</u>	<u>\$ 613,457</u>

Schedule of Management and General Expenses

For the Year Ended December 31, 2004

Allen Press:	
Business Management	\$ 33,737
Marketing	3,453
Warehouse	<u>11,397</u>
Total Allen Press	48,587
Annual Audit	6,126
Bank Charges	2,347
Dues and Subscriptions	5,418
Web site development	-
Secretary's Office	33,370
Treasurer's Office	<u>96</u>
Total Management and General Expenses	<u>\$ 95,944</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Investments

December 31, 2004

Mutual Fund	Initial Purchase Date	Cost as of December 31	Market Value as of December 31	Shares as of December 31
<i>Smith Barney</i>				
Salomon Bros. Small Cap Growth Fund	December 7, 2004	\$ 13,816	\$ 14,258	919.840
RS Smaller Company Growth Fund	December 7, 2004	14,503	14,548	644.568
American Century Inter. Bond Fund	October 20, 2003	26,745	28,853	1,953.486
Dreyfus Premium Emerging Markets Fund	January 4, 2001	24,367	28,422	1,449.350
Janus High Yield Fund	January 4, 2001	55,327	56,539	5,699.541
Columbia International Bond Fund	January 4, 2001	43,032	42,701	4,687.224
PBHG Large Cap Growth Fund	January 4, 2001	125,376	136,065	6,485.471
Royce Premier Fund	January 4, 2001	26,445	30,783	2,035.922
Scudder International Fund	January 4, 2001	49,392	56,820	1,284.059
Smith Barney Fundamental Value Fund	January 4, 2001	<u>123,408</u>	<u>132,570</u>	8,802.773
		<u>\$ 502,411</u>	<u>\$ 541,559</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 ICHTHYOLOGISTS AND HERPETOLOGISTS

Schedule of Cash and Cash Equivalents and Investments

December 31, 2004

	<u>General Operating</u>	<u>Student Travel</u>	<u>General Endowment</u>	<u>Stoye</u>
Cash and Cash Equivalents				
Smith Barney	\$ 6,128	\$ 5,620	\$ 30,416	\$ 16,139
Checking	<u>41,073</u>	<u>2,364</u>	<u>6,442</u>	<u>-</u>
Total Cash	47,201	7,984	36,858	16,139
Investments				
Smith Barney	<u>141,021</u>	<u>-</u>	<u>77,619</u>	<u>50,750</u>
Total Investments	<u>141,021</u>	<u>-</u>	<u>77,619</u>	<u>50,750</u>
Total Cash and Cash Equivalents and Investments	<u>\$ 188,222</u>	<u>\$ 7,984</u>	<u>\$ 114,477</u>	<u>\$ 66,889</u>

<u>Life Membership</u>	<u>Raney</u>	<u>Symposium Donation</u>	<u>Gaige</u>	<u>Storer</u>	<u>Fitch</u>	<u>Gibbs</u>	<u>Total</u>
\$ 5,999	\$ 7,519	\$ -	\$ 2,792	\$ 5,654	\$ 7,685	\$ 16,728	\$ 104,680
<u>30,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,036</u>
36,156	7,519	-	2,792	5,654	7,685	16,728	184,716
<u>41,465</u>	<u>52,294</u>	<u>-</u>	<u>44,197</u>	<u>17,139</u>	<u>14,267</u>	<u>102,807</u>	<u>541,559</u>
<u>41,465</u>	<u>52,294</u>	<u>-</u>	<u>44,197</u>	<u>17,139</u>	<u>14,267</u>	<u>102,807</u>	<u>541,559</u>
<u>\$ 77,621</u>	<u>\$ 59,813</u>	<u>\$ -</u>	<u>\$ 46,989</u>	<u>\$ 22,793</u>	<u>\$ 21,952</u>	<u>\$ 119,535</u>	<u>\$ 726,275</u>