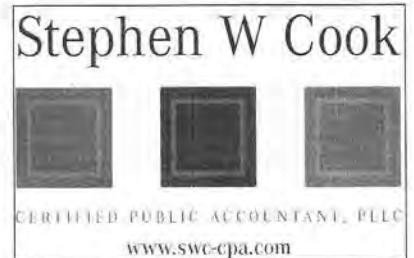


American Society of Ichthyologists
And Herpetologists

FINANCIAL STATEMENTS
and AUDITOR'S REPORT
December 31, 2013



Stephen W. Cook, CPA, PLLC
PO Box 792772
San Antonio, Texas 78279-2772
San Antonio: 210-495-4424 Austin: 512-454-7691

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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 statement of financial position as of December 31, 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, 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 9, 2014

FINANCIAL STATEMENTS

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

STATEMENT OF FINANCIAL POSITION

December 31, 2013

Assets

Current Assets

Cash and cash equivalents	\$ 604,653
Investments	635,839
Accounts receivable	83,375
Total Current Assets	<u>1,323,867</u>

Other Assets

Prepaid expenses	7,600
Permanently restricted investment - Endowments	132,000
Total Other Assets	<u>139,600</u>

Total Assets \$ 1,463,467

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 39,622
Deferred revenue	51,580
Total Current Liabilities	<u>91,202</u>

Deferred Revenue-Lifetime Memberships 34,867

Total Liabilities 126,069

Net Assets

Unrestricted	1,176,194
Temporarily restricted	29,204
Permanently restricted	132,000
Total Net Assets	<u>1,337,398</u>

Total Liabilities and Net Assets \$ 1,463,467

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 Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Program Services				
Annual meeting	\$ 39,064	\$	\$	\$ 39,064
Memberships-annual	119,840			119,840
Memberships-life	1,295			1,295
Subscriptions	66,661			66,661
Publications-BioOne	52,164			52,164
Publications-JSTOR	10,353			10,353
Publications-other	200			200
Miscellaneous	3,192			3,192
Total program services	<u>292,769</u>	<u>0</u>	<u>0</u>	<u>292,769</u>
Donations	5,999	35		6,034
Interest and dividends	15,217	2,598		17,815
Net realized and unrealized gains and losses on investments	<u>58,398</u>	<u>10,306</u>		<u>68,704</u>
Total support and revenues	<u>372,383</u>	<u>12,939</u>	<u>0</u>	<u>385,322</u>
Expenses				
Program Services				
Publications	120,763			120,763
Editorial expenses	42,762			42,762
Annual meeting	28,171			28,171
Awards	24,949			24,949
Total program services	<u>216,645</u>			<u>216,645</u>
Management and General Expenses	<u>79,205</u>			<u>79,205</u>
Total Expenses	<u>295,850</u>			<u>295,850</u>
Increase (Decrease) in Net Assets	76,533	12,939	0	89,472
Net Assets, beginning of year	<u>1,094,581</u>	<u>21,345</u>	<u>132,000</u>	<u>1,247,926</u>
Net Assets, end of year	<u>\$ 1,171,114</u>	<u>\$ 34,284</u>	<u>\$ 132,000</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 Year Ended December 31, 2013

Cash Flows from Operating Activities:

Increase (decrease) in net assets	\$ 89,472
Adjustments to reconcile increase in net assets to cash provided by operating activities:	
Change in accounts receivable	(36,611)
Change in accounts payable	12,298
Change in deferred revenues	<u>(25,785)</u>
Net cash provided (used) by operating activities	39,374

Cash Flows From Investing Activities

Net realized and unrealized gains on investments	(72,492)
Change in prepaid expenses	11,592
Change in dividends receivable	<u>557</u>
Net cash flow provided (used) by investing activities	<u>(60,343)</u>

Net Increase (Decrease) in cash and cash equivalents (20,969)

Cash and cash equivalents-beginning of period 625,622

Cash and cash equivalents-end of period \$ 604,653

SUPPLEMENTARY SCHEDULES

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

SUPPLEMENTARY SCHEDULE - ONE

COMBINING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Year Ended December 31, 2013

	General Operating	Student Travel	General Endowment	Stoye	Life Membership
Net Assets @ December 31, 2012	\$ 560,213	\$ 26,448	\$ 133,146	\$ 74,030	\$ 36,915
Support and Revenue					
Memberships, Subscriptions, Other	291,474				1,295
Donations		3,596	883	95	0
Interest & dividends	5,524	26	2,485	1,624	1,348
Net gains(loss) on investments	20,541		9,825	6,458	5,290
Total support and revenue	<u>317,539</u>	<u>3,622</u>	<u>13,193</u>	<u>8,177</u>	<u>7,932</u>
Expenses					
Publications	120,763				
Other expenses	150,138				
Awards	298	6,233	473	1,200	0
Total expenses	<u>271,199</u>	<u>6,233</u>	<u>473</u>	<u>1,200</u>	<u>0</u>
Excess of Revenues/(Expenses)	46,340	(2,611)	12,720	6,977	7,932
Transfers					
Awards	(10,000)				
Board designated	0	1,295	0	0	(1,295)
Total transfers	<u>(10,000)</u>	<u>1,295</u>	<u>0</u>	<u>0</u>	<u>(1,295)</u>
Change in Net Assets	<u>36,340</u>	<u>(1,316)</u>	<u>12,720</u>	<u>6,977</u>	<u>6,637</u>
Net assets @ December 31, 2013	<u>596,553</u>	<u>25,132</u>	<u>145,866</u>	<u>81,007</u>	<u>43,552</u>
Unrestricted	596,553	25,132	145,866	81,007	43,552
Temporarily restricted					
Permanently restricted					
Net assets @ December 31, 2013	<u>\$ 596,553</u>	<u>\$ 25,132</u>	<u>\$ 145,866</u>	<u>\$ 81,007</u>	<u>\$ 43,552</u>

<u>Annual Meeting</u>	<u>Gaige</u>	<u>Storer</u>	<u>Raney</u>	<u>Fitch</u>	<u>Gibbs</u>	<u>Total</u>
\$ 111,963	\$ 62,278	\$ 24,417	\$ 77,418	\$ 19,753	\$ 121,345	\$ 1,247,926
						292,769
	260	1,045	60	60	35	6,034
127	1,410	552	1,673	447	2,598	17,815
0	5,633	2,199	6,665	1,787	10,306	68,704
<u>127</u>	<u>7,304</u>	<u>3,797</u>	<u>8,398</u>	<u>2,294</u>	<u>12,939</u>	<u>385,322</u>
						120,763
						150,138
0	5,000	600	4,985	1,080	5,080	24,949
<u>0</u>	<u>5,000</u>	<u>600</u>	<u>4,985</u>	<u>1,080</u>	<u>5,080</u>	<u>295,850</u>
127	2,304	3,197	3,413	1,214	7,859	89,472
0	5,000		5,000			
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	5,000	0	5,000	0	0	0
<u>127</u>	<u>7,304</u>	<u>3,197</u>	<u>8,413</u>	<u>1,214</u>	<u>7,859</u>	<u>89,472</u>
<u>112,090</u>	<u>69,582</u>	<u>27,614</u>	<u>85,831</u>	<u>20,967</u>	<u>129,204</u>	<u>1,337,398</u>
112,090	69,582	27,614	53,831	20,967		1,176,194
			32,000		29,204	29,204
					100,000	132,000
<u>\$ 112,090</u>	<u>\$ 69,582</u>	<u>\$ 27,614</u>	<u>\$ 85,831</u>	<u>\$ 20,967</u>	<u>\$ 129,204</u>	<u>\$ 1,337,398</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

SUPPLEMENTAL SCHEDULE - TWO

STATEMENT OF MUTUAL FUND INVESTMENTS

December 31, 2013

Mutual Fund	Original Purchase Date	Number of Shares	Original Cost	FMV at 12/31/2013
American Century Growth Fund	10/13/11	1,219.293	\$31,266	\$40,249
Cohen and Steers Realty Shares	10/13/11	233.785	13,133	14,668
Dodge and Cox Stock Fund	10/13/11	241.967	24,206	40,861
Dreyfus Appreciation Fund	10/13/11	909.289	37,079	47,674
Europacific Growth Fund	9/4/12	489.363	18,618	23,881
Goldman Sachs Strategic Income Fund	9/12/13	2,803.462	29,358	29,885
Goldman Sachs Financial Square Treasury	9/13/13	5,468.630	5,469	5,469
Artio Gloval Investment Funds, Aberdeen total return BD	10/13/11	3,988.185	54,709	51,687
Managers Funds Bond Fund	10/13/11	1,371.021	35,886	37,470
MFS Emerging Markets Debt Fund	10/13/11	2,568.380	39,023	37,293
Metropolitan West - Total Return Bond Fund	10/13/11	4,938.431	51,522	52,100
JP Morgan Intrepid Value Fund	9/13/13	1,166.837	25,180	40,478
Wells Fargo Emerging Markets Equity Fund	9/12/13	1,334.818	29,326	29,406
Oppenheimer Senior Floating Rate Fund	9/12/13	1,771.377	14,809	14,897
Heartland Group Value Plus Fund	10/13/11	700.531	20,020	25,044
Oppenheimer International Bond Fund Class Y	10/13/11	6,133.888	39,129	37,294
Virtus Emerging Markets Opportunites Fund	10/13/11	1,539.242	14,656	14,700
Alger Smallcap and Midcap Growth Fund	10/13/11	1,250.679	19,042	23,713
Pimco Funds Pacific Investment Management Total Return	10/13/11	5,567.665	59,902	59,518
Pimco Funds Management Ser-Commodity	10/13/11	2,597.164	18,302	14,258
Pioneer Series Tr. I-Oak Ridge Smal Cap Growth Fund	10/13/11	393.410	11,240	15,732
RS Investment Trust-Value Fund	10/13/11	692.328	15,626	24,225
Thornburg Investment Trust Income Builder Fund	10/13/11	2,981.277	55,062	62,726
Wells Fargo Advantage Endeavor	10/13/11	1,703.245	16,607	24,611
			<u>\$679,170</u>	<u>\$767,839</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

SUPPLEMENTARY SCHEDULE - THREE

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2013

Allen Press Expenses:

Allen Press-Management Fee	\$ 34,631
Allen Press-Warehouse Fee	3,497
Allen Press-Marketing	3,140
Allen Press-Electronic Site	1,494
	<u>\$ 42,762</u>

Management and General Expenses:

Audit	9,080
Bank Fees	3,710
Dues and Subscriptions	6,288
Investment Fees	14,426
Secretary's Office Expense	38,657
Treasurer's Office Expense	1,855
Web Site	5,179
Miscellaneous	10
	<u>\$ 79,205</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS
SUPPLEMENTAL SCHEDULE - FOUR
STATEMENT OF CASH, CASH EQUIVALENTS AND INVESTMENTS
December 31, 2013

	<u>General Operating</u>	<u>Student Travel</u>	<u>General Endowment</u>	<u>Stoye</u>	<u>Life Membership</u>	<u>Annual Meeting</u>	<u>Gaige</u>	<u>Storer</u>	<u>Raney</u>	<u>Fitch</u>	<u>Gibbs</u>	<u>Total</u>
Cash and Cash Equivalents												
Wells Fargo Advisors	\$ 268,904	\$ 29,143	\$ 32,011	\$ 7,786	\$ 20,578	\$ 104,581	\$ 3,725	\$ 2,814	\$ 10,022	\$ 1,035	\$ 17,336	\$ 497,935
US Bank	<u>107,398</u>	<u>1,890</u>	<u>2,607</u>	<u>575</u>	<u>1,295</u>	<u>0</u>	<u>355</u>	<u>190</u>	<u>600</u>	<u>385</u>	<u>80</u>	<u>115,375</u>
	376,302	31,033	34,618	8,361	21,873	104,581	4,080	3,004	10,622	1,420	17,416	613,310
Investments												
Wells Fargo Advisors	<u>229,583</u>	<u>0</u>	<u>109,801</u>	<u>72,177</u>	<u>59,124</u>	<u>0</u>	<u>62,962</u>	<u>24,571</u>	<u>74,481</u>	<u>19,964</u>	<u>115,176</u>	<u>767,839</u>
Total	<u>\$ 605,885</u>	<u>\$ 31,033</u>	<u>\$ 144,419</u>	<u>\$ 80,538</u>	<u>\$ 80,997</u>	<u>\$ 104,581</u>	<u>\$ 67,042</u>	<u>\$ 27,575</u>	<u>\$ 85,103</u>	<u>\$ 21,384</u>	<u>\$ 132,592</u>	<u>\$ 1,381,149</u>

SUPPLEMENTARY SCHEDULES

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

SUPPLEMENTARY SCHEDULE - ONE

COMBINING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Year Ended December 31, 2013

	General Operating	Student Travel	General Endowment	Stoye	Life Membership
Net Assets @ December 31, 2012	\$ 560,213	\$ 26,448	\$ 133,146	\$ 74,030	\$ 36,915
Support and Revenue					
Memberships, Subscriptions, Other	291,474				1,295
Donations		3,596	883	95	0
Interest & dividends	5,524	26	2,485	1,624	1,348
Net gains(loss) on investments	20,541		9,825	6,458	5,290
Total support and revenue	<u>317,539</u>	<u>3,622</u>	<u>13,193</u>	<u>8,177</u>	<u>7,932</u>
Expenses					
Publications	120,763				
Other expenses	150,138				
Awards	298	6,233	473	1,200	0
Total expenses	<u>271,199</u>	<u>6,233</u>	<u>473</u>	<u>1,200</u>	<u>0</u>
Excess of Revenues/(Expenses)	46,340	(2,611)	12,720	6,977	7,932
Transfers					
Awards	(10,000)				
Board designated	0	1,295	0	0	(1,295)
Total transfers	<u>(10,000)</u>	<u>1,295</u>	<u>0</u>	<u>0</u>	<u>(1,295)</u>
Change in Net Assets	<u>36,340</u>	<u>(1,316)</u>	<u>12,720</u>	<u>6,977</u>	<u>6,637</u>
Net assets @ December 31, 2013	<u>596,553</u>	<u>25,132</u>	<u>145,866</u>	<u>81,007</u>	<u>43,552</u>
Unrestricted	596,553	25,132	145,866	81,007	43,552
Temporarily restricted					
Permanently restricted					
Net assets @ December 31, 2013	<u>\$ 596,553</u>	<u>\$ 25,132</u>	<u>\$ 145,866</u>	<u>\$ 81,007</u>	<u>\$ 43,552</u>

NOTES TO FINANCIAL STATEMENTS

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

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 9, 2014, 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, 2013

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, 2013, the amount was \$34,339.

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, 2013

Institution	Type	Cost	Fair Market Value	Unrealized Gain(Loss)
Cash and Equivalents:				
U S Bank	Checking	\$ 115,375	\$ 115,375	\$
Wells Fargo - Command	MM	489,278	489,278	
		<u>604,653</u>	<u>604,653</u>	
Investments:				
Wells Fargo Investment Account	Investment	679,170	767,839	88,669
		<u>\$ 1,283,823</u>	<u>\$ 1,372,492</u>	<u>\$ 88,669</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.

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

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

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.

NOTE 8 – CONTACT INFORMATION

PO Box 1897
Lawrence, Kansas 66044-8897

Phone: 800-627-0326 ext: 252
Fax: 785-843-1274

Email: asih@allenpress.com

www.asih.org

Stephen W Cook



CERTIFIED PUBLIC ACCOUNTANT (CPA)
www.swc-cpa.com

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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, 2013, 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 9, 2014