

American Society of Ichthyologists
And Herpetologists

FINANCIAL STATEMENTS
and AUDITOR'S REPORT
December 31, 2017

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, 2017 and 2016, 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 judgement, 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, 2017 and 2016, 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.

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 as noted in the table of contents 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.

A handwritten signature in blue ink that reads "Stephen W Cook CPA, PLLC". The signature is written in a cursive style.

Stephen W Cook, CPA, PLLC
San Antonio, Texas
May 1, 2018

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

STATEMENT OF FINANCIAL POSITION

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 344,831	\$ 396,852
Investments	1,048,421	905,443
Accounts receivable	53,490	65,843
Total Current Assets	<u>1,446,742</u>	<u>1,368,138</u>
Other Assets		
Prepaid expenses	0	0
Investments-permanently restricted endowments	132,000	132,000
Total Other Assets	<u>132,000</u>	<u>132,000</u>
Total Assets	<u>\$ 1,578,742</u>	<u>\$ 1,500,138</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 40,457	\$ 20,562
Deferred revenue	117,175	55,975
Total Current Liabilities	<u>157,632</u>	<u>76,537</u>
Total Liabilities	157,632	76,537
Net Assets		
Unrestricted	1,235,979	1,258,838
Temporarily restricted	53,131	32,763
Permanently restricted	132,000	132,000
Total Net Assets	<u>1,421,110</u>	<u>1,423,601</u>
Total Liabilities and Net Assets	<u>\$ 1,578,742</u>	<u>\$ 1,500,138</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**STATEMENT OF ACTIVITY and CHANGE IN NET ASSETS**

For the Years Ended December 31, 2017 and 2016

				<u>Total</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2017</u>	<u>2016</u>
Support and Revenues					
Program Services					
Annual meeting	\$	\$ 3,478	\$	\$ 3,478	\$ 4,550
Memberships-annual		36,600		36,600	91,020
Memberships-life					
Subscriptions		34,120		34,120	47,230
Publications-BioOne		54,390		54,390	54,679
Publications-JSTOR		11,118		11,118	10,678
Publications-other		1,920		1,920	1,872
Miscellaneous		511		511	400
Total program services		138,659		142,137	210,429
Other comprehensive income					
Donations		7,768		7,768	44,000
Interest and dividends		10,831		10,831	26,255
Net realized gain/(loss)		39,996		39,996	9,733
Net unrealized gain/(loss)		126,303		126,303	47,193
		<u>184,897</u>		<u>184,897</u>	<u>127,181</u>
		138,659		327,034	337,610
Net assets released from restriction satisfaction of purpose					
		<u>156,290</u>	<u>(156,290)</u>		
Total support and revenues		294,949	32,085	327,034	337,610
Expenses					
Program Services					
Annual meeting		28,253		28,253	33,980
Awards		32,161		32,161	52,510
Publications		131,464		131,464	139,055
Total program services		191,878		191,878	225,545
Management & General Expenses		72,559		72,559	90,713
Total Expenses		264,437		264,437	316,258
Increase (Decrease) in Net Assets		30,512	32,085	62,597	21,352
Net Assets, beginning of year		1,258,839	32,762	132,000	1,423,601
Unrealized gains/(losses)		<u>(53,373)</u>	<u>(11,715)</u>	<u>(65,088)</u>	<u>(65,879)</u>
Net Assets, end of year	\$	<u>1,235,978</u>	\$	<u>53,132</u>	\$
			<u>132,000</u>	<u>1,421,110</u>	<u>1,423,601</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 62,596	\$ 21,352
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Change in accounts receivable	12,353	(3,684)
Change in accounts payable	19,895	(75,370)
Change in deferred revenues	<u>61,200</u>	<u>(17,615)</u>
Net cash provided (used) by operating activities	156,044	(75,317)
 Cash Flows From Investing Activities		
Change in investments	(208,065)	30,225
Change in prepaid expenses	<u>0</u>	<u>(18,277)</u>
Net cash flow provided (used) by investing activities	(208,065)	11,948
 Net Increase (Decrease) in cash and cash equivalents	(52,021)	(63,369)
Cash and cash equivalents-beginning of period	<u>396,852</u>	<u>460,221</u>
Cash and cash equivalents-end of period	<u>\$ 344,831</u>	<u>\$ 396,852</u>

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

For the Years Ended December 31, 2017 and 2016

	General Operating	Annual Meeting	Fitch	Gaige	General Endowment	Gibbs	Let Student's Ride
Net Assets @ 12/31/16	\$ 592,139	\$ 123,636	\$ 21,843	\$ 58,076	\$ 188,835	\$ 132,763	\$ 9,040
Support and Revenue							
Memberships, Subs, Other	138,659	3,478					
Donations			153	75	895	200	1,160
Interest & dividends			476	888	3,335	1,949	152
Net gains(loss) investments			1,760	3,280	12,318	7,199	560
Unrealized gains/(losses) on investments			5,557	10,357	38,901	22,735	1,768
Total support and revenue	138,659	3,478	7,946	14,600	55,449	32,083	3,640
Expenses							
Publications	131,464						
Other expenses	72,559	28,253					
Awards	1,588		1,000	5,000			
Total expenses	205,611	28,253	1,000	5,000			
Excess of Revenues/(Expenses)	(66,952)	(24,775)	6,946	9,600	55,449	32,083	3,640
Other changes							
Unrealized gains/(losses) Board designated	(773)		(2,864)	(5,337)	(20,046)	(11,715)	(911)
Total transfers	(773)		(2,864)	(5,337)	(20,046)	(11,715)	(911)
Change in Net Assets	(67,725)	(24,775)	4,082	4,263	35,403	20,368	2,729
Net assets @ 12/31/17	524,414	98,861	25,925	62,339	224,238	153,131	11,769
Unrestricted	524,414	98,861	25,925	62,339	224,238		11,769
Temporarily restricted						53,131	
Permanently restricted						100,000	
Net assets @ 12/31/17	\$ 524,414	\$ 98,861	\$ 25,925	\$ 62,339	\$ 224,238	\$ 153,131	\$ 11,769

Life Member	Liner	Meritorius Teaching	Raney	Storer	Stoye	Student Travel	Total
\$ 92,041	\$ 1,024	\$	\$ 77,726	\$ 30,082	\$ 88,736	\$ 7,660	\$ 1,423,601
							142,137
			265	10	50	4,960	7,768
			1,213	1,343	1,429	45	10,830
			4,479	4,959	5,279	161	39,995
			14,146	15,662	16,672	505	126,303
			20,103	21,974	23,430	5,671	327,033
							131,464
							100,812
		773	7,000	600	1,800	14,400	32,161
		773	7,000	600	1,800	14,400	264,437
		(773)	13,103	21,374	21,630	(8,729)	62,596
			(7,290)	(8,070)	(8,591)	(263)	(65,087)
		773					
		773	(7,290)	(8,070)	(8,591)	(263)	(65,087)
			5,813	13,304	13,039	(8,992)	(2,491)
92,041	1,024		83,539	43,386	101,775	(1,332)	1,421,110
92,041	1,024		51,539	43,386	101,775	(1,332)	1,235,979
			32,000				53,131
							132,000
\$ 92,041	\$ 1,024	\$	\$ 83,539	\$ 43,386	\$ 101,775	\$ (1,332)	\$ 1,421,110

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS
SUPPLEMENTARY SCHEDULE - TWO
STATEMENT OF MUTUAL FUND INVESTMENTS
December 31, 2017

Mutual Fund	Original Purchase Date	Number of Shares	Original Cost	FMV at 12/31/2017	Current Year Unrealized Gain (Loss)
Am Fund Europacific Growth Fund	09/04/12	693.443	\$ 27,106	\$ 38,861	\$ 9,923
Am Fund-Washington Mutual	03/27/15	2,881.476	107,888	131,424	14,081
American Centry Investment Trust	09/14/16	8,518.216	91,533	91,741	(1,983)
AMG Funds, Managers Bond Fund	10/13/11	2,777.028	72,382	74,896	(350)
Champlain Funds Small Cap	03/27/15	1,897.100	29,219	37,904	5,320
Cohen and Steers Realty Shares	10/13/11	334.570	19,510	21,560	252
Dodge and Cox Stock Fund	10/13/11	401.109	49,029	81,670	27,365
Fidelity Advisor VIII Strategic Income	10/03/14	2,508.214	41,408	43,817	589
Hartford Mutual Funds-MidCap	09/14/16	1,318.652	31,432	40,654	7,440
Invesco Global Real Estate	08/18/15	2,448.952	30,962	33,085	1,181
Mainstay Fund Hi Yield	09/14/16	3,862.272	20,760	22,208	81
Metropolitan Est Fds Total Return	10/13/11	9,649.991	100,446	102,869	279
MFS Emerging Markets Debt Fund	10/13/11	2,149.765	31,452	32,376	(482)
Oppenheimer Intl Bond Fund Class Y	10/13/11	9,102.246	53,815	54,249	(821)
Pimco Commodoity real return	08/28/17	3,043.349	19,207	20,543	421
Principal Fund Small Midcap	09/14/16	2,264.248	31,134	38,900	5,621
T Rowe Blue Chip	03/27/15	1,157.715	81,958	111,499	28,035
Thornburg Investment Trust-Value Fd	10/13/11	2,762.850	53,035	61,059	5,341
Wells Fargo Emerging Mrkts Equity Fd	09/12/13	1,987.609	42,832	52,513	9,302
Wells Fargo Small Co Growth	09/14/16	723.229	30,477	38,476	7,999
Wells Fargo Spcl Midcap	09/14/16	1,307.859	41,278	50,117	6,709
Total Open End Funds			\$ 1,006,863	\$ 1,180,421	\$ 126,303

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**SUPPLEMENTARY SCHEDULE - THREE****STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Annual meeting:	\$ 28,253	\$ 33,980
Awards:		
Awards-General Operating	1,588	3,500
Awards-Student Travel	14,400	17,408
Awards-Stoye	1,800	1,832
Awards-Gaige	5,000	11,200
Awards-Storer	600	616
Awards-Raney	7,000	10,220
Awards-Fitch	1,000	1,091
Awards-Gibbs		5,390
Awards-Johnson		90
Awards-Meritorious Teaching	773	1,163
	<u>32,161</u>	<u>52,510</u>
Publications:		
Publications-Copeia-Allen	3,920	1,950
Publications-Copeia-Editorial	35,299	33,026
Publications-Copeia-Electronic	17,452	11,660
Publications-Copeia-Printed	74,722	90,895
Publications-other	71	1,524
	<u>131,464</u>	<u>139,055</u>
Management and General Expenses:		
Allen Press Expenses:		
Allen Press-Management Fee	31,121	30,952
Allen Press-Warehouse Fee	706	1,965
Allen Press-Marketing		2,780
Allen Press-Electronic Site		4,612
Audit	9,500	8,500
Bank Fees	2,283	2,658
Donations	5,580	
Dues and Subscriptions	470	1,294
Investment Fees	29	26
Secretary's Office Expense	15,093	30,011
Treasurer's Office Expense	685	2,345
Web Site	7,092	1,920
Miscellaneous		3,650
	<u>72,559</u>	<u>90,713</u>
	<u>\$ 264,437</u>	<u>\$ 316,258</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS**SUPPLEMENTARY SCHEDULE - FOUR****STATEMENT OF CASH, CASH EQUIVALENTS AND INVESTMENTS**

December 31, 2017 and 2016

	<u>General Operating</u>	<u>Annual Meeting</u>	<u>Fitch</u>	<u>Gaige</u>	<u>General Endowment</u>	<u>Gibbs</u>	<u>Let Student's Ride</u>
Cash and Cash Equivalents							
US Bank	\$ 34,453	\$ 864	\$ 1,974	\$ 3,628	\$ 13,778	\$ 7,972	\$ 904
Wells Fargo	14,235	357	816	1,499	5,692	3,294	374
Wells Fargo	<u>97,518</u>	<u>2,446</u>	<u>5,588</u>	<u>10,268</u>	<u>38,997</u>	<u>22,564</u>	<u>2,560</u>
	146,206	3,667	8,378	15,395	58,467	33,829	\$ 3,838
WF- Investment							
Investments	(55,967)	(1,404)	(3,207)	(5,893)	(22,381)	(12,950)	(1,469)
Restricted						<u>132,000</u>	
	<u>(55,967)</u>	<u>(1,404)</u>	<u>(3,207)</u>	<u>(5,893)</u>	<u>(22,381)</u>	<u>119,050</u>	<u>(1,469)</u>
Total	<u>\$ 90,239</u>	<u>\$ 2,263</u>	<u>\$ 5,171</u>	<u>\$ 9,502</u>	<u>\$ 36,086</u>	<u>\$ 152,879</u>	<u>\$ 2,369</u>

<u>Life Member</u>	<u>Liner</u>	<u>Merit Teach</u>	<u>Raney</u>	<u>Storer</u>	<u>Stoye</u>	<u>Student Travel</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 4,995	\$ 5,460	\$ 5,822	\$ 1,409	\$ 81,258
	\$ -		2,064	2,256	2,405	582	\$ 33,573
	\$ -		<u>14,138</u>	<u>15,454</u>	<u>16,478</u>	<u>3,988</u>	<u>\$ 230,000</u>
			21,197	23,170	24,705	5,978	\$ 344,831
			(8,114)	(8,869)	(9,457)	(2,289)	\$ (132,000)
							<u>\$ 132,000</u>
			<u>(8,114)</u>	<u>(8,869)</u>	<u>(9,457)</u>	<u>(2,289)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,083</u>	<u>\$ 14,300</u>	<u>\$ 15,248</u>	<u>\$ 3,690</u>	<u>\$ 344,831</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 and Subsequent Events

Subsequent events were evaluated through May 1, 2018, which is the date of the financial statements.

B. 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.

C. 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.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

D. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash and investments in marketable securities. Cash and money market deposits do not exceed the federal deposit insurance limits. Funds in excess of the FDIC limits are automatically transferred and invested in the Organization's investment account. Funds in the investment account are insured by the SPIC but are subject to market fluctuations.

F. 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.

G. Investments and Fair Value Measurements

The Organization applies the U.S. GAAP authoritative guidance for *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements used to measure fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisal or other means such as calculation based on contractual rates and published tables.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investment in bonds, equities, and mutual funds are carried at fair value based on quoted prices in active markets in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

H. 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, 2017, the amount was \$53,490.

I. Accounts Payable

All payables are reported at their gross value. Expenses that were incurred for the current fiscal period but due and payable in a subsequent period are recognized as of the year end. Accounts payable at year end were \$40,457.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

J. Deferred Revenue

Transactions that are categorized as exchange in nature may be recorded as deferred revenue. These exchange transactions will be recognized as revenue in the succeeding year when the services are provided. Deferred revenues were \$117,175.

K. Awards

The Organization presents a number of awards annually. To facilitate payment of these awards the Organization has adopted selected objective, parameters and funding mechanisms.

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 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.

L. 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.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

M. Contributions

Contributions are recorded as revenue when received. Contributions are considered available for the Organization's programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

N. 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.

NOTE 3 - CASH, and CASH EQUIVALENTS

Cash and cash equivalents consist of checking, and money market accounts. The Society's cash and cash equivalents are protected by the Federal Deposit Insurance Corporation (FDIC).

<u>Institution</u>	<u>Type</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Interest</u>
Cash and Equivalents:				
U S Bank	Checking	\$ 81,258	\$ 81,258	\$ 36
Wells Fargo	Checking	33,573	33,573	0
Wells Fargo	Money Market	230,000	230,000	37
		<u>\$ 344,831</u>	<u>344,831</u>	<u>\$ 73</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

In some cases, inputs used to measure fair value might fall in different levels of the fair value hierarchy. In such cases, the level within which the asset falls is determined based on the lowest level input that is significant to the asset in its entirety. Assessing the significance of a particular input to the asset in its entirety requires judgement and considers factors specific to the asset. The categorization of an asset within the hierarchy is based on the pricing transparency of the asset and does not necessarily correspond to the Organization's perceived risk of liquidity for that asset.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2017:

	<u>Level 1</u>
Stocks and Investments-unrestricted	\$ 1,048,421
Stocks and Investments-restricted	132,000
	<u>\$ 1,180,421</u>

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 5 - 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. Incomes from these assets are restricted to provide scholarships and honorariums as detailed below. These funds are recognized as 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 fair market value of this endowment is \$100,000.

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. The fair market value of this endowment is \$32,000.

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 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.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 6 - 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 7 - 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 8 - RELATED PARTY TRANSACTIONS

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

NOTE 9 - LIFE MEMBERSHIPS

Life memberships have in indeterminable membership length. Therefore, the organization has elected to recognize life memberships when received.

AMERICAN SOCIETY OF ICHTHYOLOGISTS AND HERPETOLOGISTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 10 – OFFICERS and STAFF

Name	Position
Officer and Executive Committee:	
Carole Baldwin	President
Brian Crother	President Elect/Sec.
Maureen A. Donnelly	Past President
Larry Allen	Prior Past President
Prosanta Chakrabarty	Secretary
F. Douglas Martin	Treasurer
Christopher Beachy	Editor
Kathleen Cole	Endowment & Finance (Co-Chair)
Adam Summers	Endowment & Finance (Co-Chair)

Executive Committee Only:

Deanna Strouder	Co-Chair of LRPP
Robert. Espinoza	Co-Chair of LRPP

Copia Staff (Partial)

W. Leo Smith	Editor
Kathleen Smith	Production Editor
William L. Smith	Figure Editor

Historians:

David Smith	Co-Chair of History
Joseph Mitchell	Co-Chair of History

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