



September 22, 2022

To the Board of Governors
American Society of Ichthyologists and Herpetologists
Lawrence, Kansas
Administrative operations in Seattle, Washington

We have audited the financial statements of American Society of Ichthyologists and Herpetologists (the Society) for the year ended December 31, 2021 and have issued our report thereon dated the same date of this letter. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by the Society are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2021. We noted no transactions entered into by the Society during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the allocation of functional expenses.

Management's estimate of functional expense classification is based on time and effort spent. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following material misstatement detected as a result of audit procedures was corrected by management:

To record late received publishing revenue	\$72,137
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The effect of all corrected misstatements, including other immaterial corrected misstatements, is a \$79,944 increase in the change in net assets.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated the same date of this letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Society's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditor

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the period prior to retention as the Society's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is

appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In planning and performing our audit of the financial statements of the Society as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Society's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Society's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Society's internal control to be a significant deficiency:

(Repeat comment) A key component of a strong internal control system is the segregation of incompatible duties, which can be difficult to achieve in a small nonprofit environment. It is important that the work performed by one individual is reviewed by another so that two sets of eyes are involved in all transactions. These reviews function to both detect any errors in the work, as well as to provide a deterrent for fraudulent activity. During the audit we noted that the Treasurer performs a significant amount of the accounting functions with little documented review by another individual. While it appears that the Treasurer is very diligent in performing her tasks, adding a review by an independent person will further strengthen the internal control system and reduce the risk of error or fraud. Specific areas that we noted include:

- Bank Statements and Reconciliation Review – *(Repeat comment)* The Treasurer reconciles the bank and investment accounts with no independent review. We recommend that a member of the Endowment & Finance Committee review and approve the monthly statements and reconciliations. Evidence of the approval, such as initials on the statements or an e-mail, should be retained.

In addition to the significant deficiency described above, during our audit, we became aware of several matters that provide an opportunity for strengthening internal controls and operating efficiency. Our comments do not affect our report on the financial statements of the Society, dated the same date as this letter, and are summarized as follows:

- Annual Budget – *(Repeat comment)* We noted that the Society does not have a formal budget process. We recommend implementing an annual budget as a tool to help monitor the activities of the Society. The annual budget should be approved by the Executive Committee.
- Audit Committee – *(Repeat comment)* We recommend that the Endowment & Finance Committee duties should include a periodic “spot check” of internal controls, or an annual review of internal controls, since the annual audit cannot solely be relied on to serve this function. The Endowment & Finance Committee, serving in the capacity of the Audit Committee, is responsible for establishing policies and procedures to detect, prevent and report fraud.
- Journal Entries – *(Repeat comment)* Occasionally, journal entries are recorded within the QuickBooks accounting system. It is a best practice to treat these entries the same as any other transaction that is recorded in the system (i.e., is properly authorized and documented). In addition, supporting documentation should be retained for all journal entries. The Society is encouraged to adopt a review process for journal entries.

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It has been our great pleasure to work with the staff of the Society during this audit. They were very helpful in answering our questions and requests for documentation. We wish to specifically thank Katherine Maslenikov for her very thorough attention and assistance given to us in this work.

This communication is intended solely for the information and use of the Governing Board and management of the American Society of Ichthyologists and Herpetologists, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Jones & Associates PLLC, CPAs". The signature is written in black ink on a white background.

Judy C Jones, CPA
Jones & Associates PLLC, CPAs