

AMERICAN FISHERIES SOCIETY
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023 AND 2022

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Governing Board and Management Committee
American Fisheries Society
Bethesda, MD

Opinion

We have audited the accompanying financial statements of American Fisheries Society (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Fisheries Society as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Fisheries Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Fisheries Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 American Fisheries Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Fisheries Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Columbia, MD
July 19, 2024

AMERICAN FISHERIES SOCIETY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 268,941	\$ 124,744
Grants receivable, net	252,100	340,000
Accounts receivable, net	28,526	44,915
Inventory	158,171	170,843
Prepaid expenses	152,664	44,489
Total Current Assets	860,402	724,991
OTHER ASSETS		
Investments	4,689,367	4,519,559
Property and equipment, net	302,095	314,396
Events deposit	7,500	102,224
Total Other Assets	4,998,962	4,936,179
TOTAL ASSETS	\$ 5,859,364	\$ 5,661,170
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 185,936	\$ 192,943
Accrued salaries and benefits	130,665	120,038
Due to sub-units	177,295	125,934
Deferred royalty revenue, current portion	128,572	128,571
Deferred membership dues	132,845	163,766
Deferred revenue	477,292	127,905
Total Current Liabilities	1,232,605	859,157
OTHER LIABILITIES		
Deferred royalty revenue, net of current portion	-	128,572
Line of credit	-	350,000
Investments due to sub-units	337,384	298,307
Total Other Liabilities	337,384	776,879
Total Liabilities	1,569,989	1,636,036
NET ASSETS		
Without Donor Restrictions:		
Available for operations	1,124,626	881,205
Board designated	730,170	936,154
Total Without Donor Restrictions	1,854,796	1,817,359
With donor restrictions	2,434,579	2,207,775
Total Net Assets	4,289,375	4,025,134
TOTAL LIABILITIES AND NET ASSETS	\$ 5,859,364	\$ 5,661,170

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

**AMERICAN FISHERIES SOCIETY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Annual meeting	\$ 934,763	\$ -	\$ 934,763
Other meetings	106,603	-	106,603
Journals program	1,220,133	-	1,220,133
Publication sales	138,185	-	138,185
Membership dues	493,251	-	493,251
Contributions	19,880	32,826	52,706
Educational programs	15,721	-	15,721
Government grants	472,484	-	472,484
Contract revenue	71,050	-	71,050
Promotion and outreach	63,421	-	63,421
Interest and dividends	64,759	56,256	121,015
Other income	30,155	-	30,155
Net assets released from restrictions	92,027	(92,027)	-
Total Revenue and Support	3,722,432	(2,945)	3,719,487
EXPENSES			
Program services:			
Meetings	1,268,298	-	1,268,298
Journals and publications	724,607	-	724,607
Policy, outreach, and communication	275,797	-	275,797
Membership	418,506	-	418,506
Project management	561,002	-	561,002
Education and professional development	51,198	-	51,198
Total Program Services	3,299,408	-	3,299,408
Support services:			
Management and general	508,372	-	508,372
Fundraising	76,540	-	76,540
Total Support Services	584,912	-	584,912
Total Expenses	3,884,320	-	3,884,320
CHANGE IN NET ASSETS FROM OPERATIONS	(161,888)	(2,945)	(164,833)
OTHER CHANGES			
Appreciation in fair value of investments, net of fees	199,325	229,749	429,074
CHANGE IN NET ASSETS	37,437	226,804	264,241
NET ASSETS, beginning of year	1,817,359	2,207,775	4,025,134
NET ASSETS, end of year	\$ 1,854,796	\$ 2,434,579	\$ 4,289,375

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

**AMERICAN FISHERIES SOCIETY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Annual meeting	\$ 1,191,978	\$ -	\$ 1,191,978
JASM meeting	1,475,369	-	1,475,369
Journals program	1,176,902	-	1,176,902
Publication sales	62,589	-	62,589
Membership dues	466,094	-	466,094
Contributions	21,662	109,365	131,027
Employee retention tax credit	340,000	-	340,000
Educational programs	25,620	-	25,620
Government grants	494,743	-	494,743
Contract revenue	106,858	-	106,858
Promotion and outreach	65,103	-	65,103
Interest and dividends	27,516	59,537	87,053
Other income	5,580	-	5,580
Net assets released from restrictions	778,799	(778,799)	-
Total Revenue and Support	6,238,813	(609,897)	5,628,916
EXPENSES			
Program services:			
Annual meeting	978,953	-	978,953
JASM meeting	1,506,828	-	1,506,828
Journals and publications	713,332	-	713,332
Policy, outreach, and communication	332,065	-	332,065
Membership	405,485	-	405,485
Project management	540,533	-	540,533
Education and professional development	58,172	-	58,172
Total Program Services	4,535,368	-	4,535,368
Support services:			
Management and general	551,494	-	551,494
Fundraising	79,523	-	79,523
Total Support Services	631,017	-	631,017
Total Expenses	5,166,385	-	5,166,385
CHANGE IN NET ASSETS FROM OPERATIONS	1,072,428	(609,897)	462,531
OTHER CHANGES			
Depreciation in fair value of investments, net of fees	(310,463)	(608,960)	(919,423)
Loss on disposal of property and equipment	(1,175)	-	(1,175)
Total Other Changes	(311,638)	(608,960)	(920,598)
CHANGE IN NET ASSETS	760,790	(1,218,857)	(458,067)
NET ASSETS , beginning of year	1,056,569	3,426,632	4,483,201
NET ASSETS , end of year	\$ 1,817,359	\$ 2,207,775	\$ 4,025,134

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

**AMERICAN FISHERIES SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	PROGRAM SERVICES						SUPPORT SERVICES					Total
	Meetings	Journals and Publications	Policy, Outreach and Communication	Membership	Project Management	Education and Professional Development	Total Program Services	Management and General	Fundraising	Total Support Services		
Personnel Cost:												
Salaries	\$ 297,177	\$ 349,111	\$ 131,277	\$ 152,916	\$ 139,933	\$ 32,459	\$ 1,102,873	\$ 284,916	\$ 54,819	\$ 339,735	\$ 1,442,608	
Payroll taxes	21,531	25,293	9,511	11,079	10,138	2,352	79,904	20,642	3,972	24,614	104,518	
Employee benefits	15,506	18,216	6,850	7,979	7,301	1,694	57,546	14,867	2,860	17,727	75,273	
Retirement plan	29,380	34,515	12,979	15,118	13,834	3,209	109,035	28,167	5,420	33,587	142,622	
Subtotal Personnel Costs	363,594	427,135	160,617	187,092	171,206	39,714	1,349,358	348,592	67,071	415,663	1,765,021	
Advertisement and promotion	-	-	810	29	-	-	839	-	-	-	839	
Awards	-	-	-	25,151	-	-	25,151	-	-	-	25,151	
Bank fees	25,478	10,932	2,706	4,109	2,885	669	46,779	5,875	1,130	7,005	53,784	
Continuing education	4,162	-	-	-	-	-	4,162	-	-	-	4,162	
Depreciation and amortization	7,235	8,499	3,196	3,723	3,407	790	26,850	6,934	1,335	8,269	35,119	
Dues, licenses, and subscriptions	2,734	10,462	11,003	28,143	10,365	2,461	65,168	7,246	504	7,750	72,918	
Editorial fees	-	3,375	-	-	-	-	3,375	-	-	-	3,375	
Equipment rental	2,412	2,834	1,066	1,241	1,136	263	8,952	2,312	445	2,757	11,709	
Insurance	8,630	4,876	1,833	2,136	1,954	453	19,882	3,979	766	4,745	24,627	
Interest expense	-	-	-	-	-	-	-	11,711	-	11,711	11,711	
Legal expense	-	-	-	-	-	-	-	225	-	225	225	
Meetings and conferences: facilities	693,585	8,625	596	-	19,210	-	722,016	3,301	-	3,301	725,317	
Office expenses	4,441	60	-	4,010	-	1,631	10,142	1,773	-	1,773	11,915	
Postage and delivery	384	8,258	-	175	95	37	8,949	264	-	264	9,213	
Printing and reproduction	682	23,017	-	346	-	97	24,142	282	-	282	24,424	
Professional fees	101,519	92,171	87,156	82,785	202,063	3,922	569,616	51,310	4,778	56,088	625,704	
Publications	-	24,535	-	-	-	-	24,535	-	-	-	24,535	
Rebates to Chapters	-	-	-	78,059	-	-	78,059	-	-	-	78,059	
Scholarships	-	-	-	-	122,644	-	122,644	-	-	-	122,644	
Stipends	-	62,252	-	-	-	-	62,252	-	-	-	62,252	
Telephone and internet	2,875	3,254	1,224	1,425	1,304	303	10,385	3,011	511	3,522	13,907	
Travel expenses	50,567	34,322	5,590	82	24,733	858	116,152	61,557	-	61,557	177,709	
Total Expenses	\$ 1,268,298	\$ 724,607	\$ 275,797	\$ 418,506	\$ 561,002	\$ 51,198	\$ 3,299,408	\$ 508,372	\$ 76,540	\$ 584,912	\$ 3,884,320	

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

**AMERICAN FISHERIES SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	PROGRAM SERVICES							SUPPORT SERVICES					Total
	Annual Meeting	JASM Meeting	Journals and Publications	Policy, Outreach and Communication	Membership	Project Management	Education and Professional Development	Total Program Services	Management and General	Fundraising	Total Support Services		
Personnel Cost:													
Salaries	\$ 161,057	\$ 167,603	\$ 364,282	\$ 199,266	\$ 124,218	\$ 107,777	\$ 34,251	\$ 1,158,454	\$ 311,460	\$ 52,366	\$ 363,826	\$ 1,522,280	
Payroll taxes	12,150	12,644	27,480	15,032	9,371	8,130	2,584	87,391	23,496	3,950	27,446	114,837	
Employee benefits	12,236	12,733	27,676	15,139	9,437	8,188	2,602	88,011	23,664	3,978	27,642	115,653	
Retirement plan	15,226	15,844	34,438	18,838	11,743	10,189	3,238	109,516	29,443	4,951	34,394	143,910	
Subtotal Personnel Costs	200,669	208,824	453,876	248,275	154,769	134,284	42,675	1,443,372	388,063	65,245	453,308	1,896,680	
Advertisement and promotion	-	-	-	-	-	-	-	-	2,306	-	2,306	2,306	
Awards	-	-	-	-	37,051	-	-	37,051	-	-	-	37,051	
Bank fees	17,459	35,327	3,147	-	24,817	-	-	80,750	9,467	-	9,467	90,217	
Building services	4,817	5,013	10,896	5,960	3,715	3,224	1,024	34,649	9,317	1,566	10,883	45,532	
Continuing education	17,725	-	-	-	-	-	-	17,725	-	-	-	17,725	
Depreciation and amortization	4,263	4,436	9,642	5,274	3,288	2,853	907	30,663	8,245	1,386	9,631	40,294	
Dues, licenses, and subscriptions	7,427	7,729	16,799	9,189	5,728	4,970	1,579	53,421	14,363	2,415	16,778	70,199	
Editorial fees	-	-	76,975	-	-	-	-	76,975	-	-	-	76,975	
Equipment rental	1,307	1,360	2,956	1,617	1,008	874	278	9,400	2,526	425	2,951	12,351	
Insurance	4,380	4,558	9,906	5,419	3,378	2,931	931	31,503	8,470	1,424	9,894	41,397	
Interest expense	-	-	-	-	-	-	-	-	4,955	-	4,955	4,955	
Legal expense	182	-	-	-	-	-	-	182	1,264	-	1,264	1,446	
Meetings and conferences: facilities	569,949	1,144,561	7,201	-	-	763	-	1,722,474	-	-	-	1,722,474	
Office expenses	5,916	2,526	6,278	3,003	12,648	1,949	5,408	37,728	10,116	789	10,905	48,633	
Postage and delivery	8,143	1,249	6,348	1,485	1,427	803	255	19,710	2,347	390	2,737	22,447	
Printing and reproduction	348	-	14,429	-	104	-	769	15,650	817	-	817	16,467	
Professional fees	51,515	64,796	55,396	49,394	121,127	222,000	3,440	567,668	53,009	5,259	58,268	625,936	
Publications	-	-	21,707	-	-	-	-	21,707	-	-	-	21,707	
Rebates to Chapters	-	-	-	-	34,945	-	-	34,945	-	-	-	34,945	
Scholarships	-	-	-	-	-	150,917	-	150,917	-	-	-	150,917	
Telephone and internet	8,795	1,996	4,339	2,374	1,480	1,284	408	20,676	4,400	624	5,024	25,700	
Travel expenses	76,058	24,453	13,437	75	-	13,681	498	128,202	31,829	-	31,829	160,031	
Total Expenses	\$ 978,953	\$ 1,506,828	\$ 713,332	\$ 332,065	\$ 405,485	\$ 540,533	\$ 58,172	\$ 4,535,368	\$ 551,494	\$ 79,523	\$ 631,017	\$ 5,166,385	

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

**AMERICAN FISHERIES SOCIETY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 264,241	\$ (458,067)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	35,119	40,294
Net (appreciation) depreciation in fair value of investments	(429,074)	919,423
Loss on disposal of property and equipment	-	1,175
Decrease (increase) in assets:		
Grants receivable, net	87,900	-
Accounts receivable, net	16,389	(321,394)
Inventory	12,672	18,720
Prepaid expenses	(108,175)	42,923
Events deposit	94,724	(94,924)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(7,007)	(97,866)
Accrued salaries and benefits	10,627	(59,938)
Due to sub-units	51,361	10,644
Deferred royalty revenue	(128,571)	(128,571)
Deferred membership dues	(30,921)	11,642
Deferred revenue	349,387	(47,405)
Investments due to sub-units	39,077	(60,245)
Net Cash Provided by (Used for) Operating Activities	257,749	(223,589)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(22,818)	(7,720)
Proceeds from sales of investments	2,409,059	316,360
Purchases of investments	(2,149,793)	(438,884)
Net Cash Provided by (Used for) Investing Activities	236,448	(130,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on line of credit	(350,000)	(125,000)
Proceeds from line of credit	-	350,000
Net Cash Provided by (Used for) Financing Activities	(350,000)	225,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	144,197	(128,833)
CASH AND CASH EQUIVALENTS - beginning of year	124,744	253,577
CASH AND CASH EQUIVALENTS - end of year	\$ 268,941	\$ 124,744
SUPPLEMENTARY DISCLOSURES:		
Cash paid for interest	\$ 4,955	\$ 4,955

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

**AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE A – NATURE OF ORGANIZATION AND PROGRAM SERVICES

American Fisheries Society (“AFS”) is a non-profit organization that was incorporated in 1910 under the laws of the District of Columbia. The objectives of AFS are to promote the conservation, development, and wise use of fisheries; to promote and evaluate the development and advancement of fisheries science and practices; to encourage teaching of fisheries science and practices in colleges and universities; and to continue the development of fisheries professionals.

AFS has the following program services:

Meetings – International scientific gatherings of fisheries and aquatic resource professionals, educators, students, exhibitors and suppliers in locations throughout North and Central America. These events offer symposia, papers, posters and other events on the latest scientific research and developments, and are a platform for professional development and networking opportunities.

JASM 2022 – AFS was the lead Society for the Joint Aquatic Sciences Meeting (JASM) organized in cooperation with eight other aquatic science societies. AFS did not hold the JASM during 2023.

Journals and Publications – AFS publishes five peer-reviewed journals: *Transactions of the American Fisheries Society*, featuring papers on basic fisheries science; *North American Journal of Fisheries Management*, covering management research, experiences, and recommendations; *North American Journal of Aquaculture*, providing guidance for those who breed and raise aquatic animals; *Journal of Aquatic Animal Health*, focusing on health maintenance and disease treatment; and *Marine and Coastal Fisheries*, focusing on marine, coastal, and estuarine fisheries. AFS also publishes books and special publications and Fisheries Magazine, that feature peer-reviewed technical articles on all aspects of aquatic resource-related subjects, as well as articles on professional issues, new ideas and approaches, policy, education, economics, administration, and editorials.

Policy, Outreach, and Communication – AFS monitors legislation and engages with decision makers on issues that affect aquatic resources. It capitalizes on the expertise of its members by sharing management knowledge and the best available science with decision makers. AFS works with federal and state agencies and other science-based conservation organizations to promote the scientific advancements, further the profession, and share knowledge and updates with fisheries professionals and other interested parties through issues briefings, website content, newsletters, and social media on the latest developments in fisheries science and management.

Membership – AFS services members from around the world and offers numerous benefits including member directory, newsletters, awards, communities organized around special interest sections, chapter activities, and other benefits programs.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE A – NATURE OF ORGANIZATION AND PROGRAM SERVICES – continued

Project Management – AFS administers several programs related to the fisheries field including the Hutton Junior Fisheries Biology program, a summer mentorship program for high school students, Agency Co-Op agreements, multi-state conservation grants, and other collaborative activities.

Education and Professional Development – AFS coordinates continuing education programs, professional certification, awards, diversity and inclusion programs, and career advancement opportunities for fisheries students and professionals. Educational programs include in-person workshops, meetings, recorded content and topical webinars.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of AFS are prepared using the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned, and expenses and related liabilities are recognized as the obligations are incurred.

Financial Statement Presentation

Financial statement presentation follows the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit-Entities*. In accordance with Topic 958, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of AFS and changes therein, are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed restrictions or stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by either actions of AFS and/or the passage of time, or that must be maintained in perpetuity by AFS. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Cash and Cash Equivalents

AFS considers all highly liquid investments with original maturities of three months or less to be cash equivalents except those included as part of an investment portfolio. Cash and cash equivalents in certain accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At times, the accounts may exceed this limit; however, AFS believes it is not exposed to any significant credit risk on cash and cash equivalents.

Board Designated Funds

The Board has designated a portion of net assets without donor restrictions to cover any capital and operating expenses. Board designated funds totaled \$730,170 and \$936,154, as of December 31, 2023 and 2022, respectively.

Investments

Investments are reported at fair value based on quoted market prices, if available. Interest is recognized on the accrual basis. Dividends are recognized on the ex-dividend date. Net appreciation or depreciation in the fair value of investments and interest and dividends are recognized in the period in which such changes occur and are presented separately in the statements of activities.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection experience and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Based on management's evaluation of uncollectible accounts at the end of the year, management has established an allowance of \$6,328 and \$9,095, as of December 31, 2023 and 2022, respectively.

Inventory

Inventory consists of books and publications regarding various fisheries subjects. Inventory is carried at the lower of cost or market, using the first-in, first-out method of accounting.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the assets, ranging from three to 39 years. Expenditures greater than \$1,000 that extend the life of an asset are capitalized while repairs and maintenance are expensed. Building improvements are depreciated over the useful lives of the related assets.

Estimated useful lives of property and equipment currently being depreciated are as follows:

Furniture and equipment	3 – 5 years
Building improvements	31 – 98 years

Due to Sub-Units

Unremitted chapter and division dues received by AFS on behalf of its sub-units, as well as rebates earned by the chapters, are recorded as due to sub-units on the accompanying statements of financial position.

Investments Due to Sub-Units

Investment funds received on behalf of AFS' chapters and divisions are recorded as investments due to sub-units on the accompanying statements of financial position.

Deferred Revenue

Deferred revenue consists primarily of deferred conference revenue and membership dues received in advance of the period in which they are earned. Deferred conference revenue represents advanced payments received for conferences that will be held in future years. Deferred membership dues relate to revenue received in advance of the period in which the dues were earned. Other deferred revenue represents royalty payments received in advance for publication rights and editorial fees received in advance for the journals. As of the beginning of the year ended December 31, 2022, deferred revenue totaled \$713,148.

Revenue Recognition

Annual meeting and JASM meeting revenue are recognized at a point in time in the year in which the meetings are held. Amounts received in advance are recorded as deferred revenue.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition (continued)

Journal programs are revenue derived from royalties paid to AFS by its publisher based on the number of subscriptions and other income sources. AFS receives quarterly guaranteed payments for these sales. Journal programs revenue are recognized at a point in time.

Publications revenue is recognized at a point of time in the period in which publications and journals are issued and sold. Amounts received in advance are recorded as deferred revenue.

Membership dues are recognized as revenue at a point over time by allocating the membership price to the related performance obligations and recognizing the related revenue as these obligations are accomplished. Revenue received for dues which relates to subsequent years is reflected as deferred revenue.

Contributions, including unconditional promises to give, are recognized as revenue in the period in which they are received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions received with donor restrictions are recorded as revenue with donor restrictions based on the donor's intent. When a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

As part of the Coronavirus Aid, Relief and Economic Security Act, during 2022, AFS received an Employee Retention Tax Credit, which was recognized as revenue on the 2022 statement of activities.

Educational programs revenue is recognized at a point of time when services are provided. Amounts received in advance of the services performed are recorded as deferred revenue.

Government grants are considered conditional grants with a measurable performance or other barrier and a right of return, and are not recognized until the conditions on which they depend have been substantially met. These grants are also subject to audit by the grantor agencies, which could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate grantor. Contract revenue is recognized at a point of time when the services are provided. Amounts received in advance of the services performed are recorded as deferred revenue.

Promotion and outreach revenue is recognized at a point of time when services are provided. Amounts received in advance of the services performed are recorded as deferred revenue.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Methods Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization, office expenses, and any other applicable expenditures, which are allocated on the basis of salaries and related costs, determined by estimates of time and effort expended.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. However, management does not believe that the actual results will be materially different from those estimates.

Reclassification

For comparative purposes, receivables for the year ended December 31, 2022 on the statement of financial position was segregated to accounts receivable and grants receivable, to conform to the current year presentation. The reclassification had no effect on the previously reported net assets or change in net assets.

NOTE C – INCOME TAX

AFS is a 501(c)(3) organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the “Code”) and is not a private foundation. Under the provisions of the Code, AFS is, however, subject to tax on business income unrelated to its exempt purpose. As of December 31, 2023 and 2022, AFS had \$11,789 and \$12,039, respectively, as tax liability in unrelated business income. AFS files information returns and other tax returns as required.

AFS believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There were no unrecognized tax benefits or liabilities that need to be recorded.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE C – INCOME TAX – continued

AFS’ information returns are subject to examination by the Internal Revenue Service (“IRS”) for a period of three years from the date they were filed, except under certain circumstances. AFS’s information returns for the years ended December 31, 2020 through 2022, are open for a tax examination by the IRS, although no request has been made as of the date of these financial statements.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

AFS regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. Timing of revenue receipts also ensures the availability of necessary operational funds. Sources of liquidity available to AFS include financial assets consisting of cash and cash equivalents, grants and accounts receivable, and its investment portfolio.

Although AFS does not intend to spend from its board designated reserves, other than amounts appropriated for expenditure, funds could be made available through board resolution, if necessary.

In determining the adequacy of liquidity sources to cover general operating expenditures over a 12-month period, AFS considers all expenditures related to its annual meetings, publications, outreach and education, membership, and project management, as well as services undertaken to support its programs, to be general operating expenditures.

As of December 31, 2023 and 2022, total financial assets held by AFS and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures were as follows:

	2023	2022
Cash and cash equivalents	\$ 268,941	\$ 124,744
Grants receivable, net	252,100	340,000
Accounts receivable, net	28,526	44,915
Investments	4,689,367	4,519,559
Total Financial Assets	5,238,934	5,029,218
Less: investments, encumbered by donor restrictions	(2,434,579)	(2,207,775)
Less: investments, encumbered by board restrictions	(730,170)	(936,154)
Less: investments held on behalf of chapters	(337,384)	(298,307)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 1,736,801	\$ 1,586,982

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE E – FAIR VALUE MEASUREMENT

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). Level 1 of the fair value hierarchy under FASB ASC 820 is described as inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that AFS has the ability to access.

- Level 1* Inputs are based on unadjusted quoted prices for identical assets traded in active markets that AFS has the ability to access.

- Level 2* Inputs are based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

- Level 3* Inputs are unobservable and significant to the fair value measurement.

The following valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

AFS’ investments in mutual funds and equities and options are based on observable market quotations. The fair value of money market funds is valued by carrying amount, which approximates fair value.

The following tables present the fair value hierarchy AFS’ investments measured at fair value on a recurring basis as of December 31, 2023 and 2022:

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 36,086	\$ -	\$ -	\$ 36,086
Mutual Funds	4,609,339	-	-	4,609,339
Equities and Options	43,942	-	-	43,942
Total	\$ 4,689,367	\$ -	\$ -	\$ 4,689,367

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE E – FAIR VALUE MEASUREMENT - continued

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 48,142	\$ -	\$ -	\$ 48,142
Mutual Funds	4,424,971	-	-	4,424,971
Equities and Options	46,446	-	-	46,446
Total	\$ 4,519,559	\$ -	\$ -	\$ 4,519,559

NOTE F – PROPERTY AND EQUIPMENT

As of December 31, 2023 and 2022, property and equipment consisted of the following:

	2023	2022
Equity in office space	\$ 655,490	\$ 655,490
Software	454,265	438,165
Furniture and equipment	82,037	75,319
	1,191,792	1,168,974
Less: accumulated depreciation and amortization	(889,697)	(854,578)
Property and Equipment, net	\$ 302,095	\$ 314,396

During 2022, AFS disposed of property and equipment with a total cost of \$50,661, that resulted in a loss of \$1,175. There was no disposal of property and equipment during 2023. For the years ended December 31, 2023 and 2022, depreciation and amortization expense totaled \$35,119 and \$40,294, respectively.

NOTE G – LINE OF CREDIT

On September 19, 2017, AFS entered into a revolving line of credit agreement with M&T Bank to borrow up to \$500,000 for working capital purposes. The line of credit had an initial interest rate of 5.25%. The aggregate principal balance outstanding shall bear interest at a per annum rate equal to one percent above the prime rate. In August 2021, AFS took out an advanced amount from the line of credit in the amount of \$125,000. During 2022, AFS paid off \$125,000 and took out another advanced amount of \$350,000 from the line of credit. During 2023, AFS paid off \$350,000 and did not draw funds from the line of credit. As of December 2023 and 2022, the outstanding balance due on the line of credit totaled \$0 and \$350,000, respectively.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE H – CONTINGENCY

AFS enters into various contracts for services and accommodations related to future meetings. Some of these contracts include penalty clauses, which would require AFS to pay a monetary penalty if a meeting is cancelled without cause or is not subject to force majeure or if AFS does not meet room block guarantees.

AFS was the primary organizing society for the quadrennial World Council of Fisheries Society Congress held March 3-7, 2024 in Seattle, Washington. Event planning included contracting with a national hotel brand several years in advance for guaranteed room nights and other concessions at several of its properties. While this event was attended by 1,500 attendees from around the world, it failed to achieve room guarantees by a significant number due to competing lodging options at significantly lower nightly rates. As a result, room attrition penalties of \$176,000 were incurred plus lost concessions. Even after including penalties and lost concessions, the meeting returned positive net revenue before overhead costs. The attrition penalties were paid to the hotel in April 2024.

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent contributions that are restricted by the donor as to either purpose or time. As of December 31, 2023 and 2022, net assets with donor restrictions consisted of the following:

As of December 31, 2023						
Fund Name	Membership Services	Outreach and Communications	Professional Development	Annual Meeting	Journals & Publications	Totals
Past Presidents	\$ 73,148	\$ -	\$ -	\$ -	\$ -	\$ 73,148
Snieszko Fund	89,542	-	-	-	-	89,542
Sully Fund	-	11,750	-	-	-	11,750
Hutton Fund	-	67,682	-	-	-	67,682
CRS/International	-	375,144	-	-	-	375,144
Shelby Gerkin	-	-	108,231	-	-	108,231
J Francis Allen	-	-	322,556	-	-	322,556
Publications	-	-	-	-	316,381	316,381
Steve Berkeley	-	-	-	-	426,153	426,153
Skinner Fund	-	-	-	477,953	-	477,953
Mott Foundation	47,301	-	-	-	-	47,301
World Council of Fisheries	-	3,093	-	-	-	3,093
Adelman Bigford	113,995	-	-	-	-	113,995
Fred Utterback	1,650	-	-	-	-	1,650
Total Funds	\$325,636	\$ 457,669	\$ 430,787	\$477,953	\$ 742,534	\$ 2,434,579

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS - continued

As of December 31, 2022						
Fund Name	Membership Services	Outreach and Communications	Professional Development	Annual Meeting	Journals & Publications	Totals
Past Presidents	\$ 58,456	\$ -	\$ -	\$ -	\$ -	\$ 58,456
Snieszko Fund	79,047	-	-	-	-	79,047
Sully Fund	-	10,464	-	-	-	10,464
Hutton Fund	-	50,000	-	-	-	50,000
CRS/International	-	344,411	-	-	-	344,411
Shelby Gerkin	-	-	95,473	-	-	95,473
J Francis Allen	-	-	287,085	-	-	287,085
Publications	-	-	-	-	322,449	322,449
Steve Berkeley	-	-	-	-	386,810	386,810
Skinner Fund	-	-	-	428,680	-	428,680
Mott Foundation	41,756	-	-	-	-	41,756
World Council of Fisheries	-	2,731	-	-	-	2,731
Adelman Bigford	100,413	-	-	-	-	100,413
Total Funds	\$279,672	\$ 407,606	\$ 382,558	\$428,680	\$ 709,259	\$ 2,207,775

NOTE J – RETIREMENT PLAN

AFS sponsors the American Fisheries Society 401(k) Plan (the “Plan”), which is a defined contribution plan that covers all employees who have completed at least six months of employment or 500 hours of services for AFS. For eligible employees, AFS contributes an amount equal to ten percent of the participant’s annual salary to the Plan. Employer contributions to the Plan totaled \$142,622 and \$143,910, for the years ended December 31, 2023 and 2022, respectively.

NOTE K – PUBLICATION RIGHTS ROYALTY

During 2018, AFS signed a seven-year agreement with an outside party to manage the publication of its journals and magazines. As part of the agreement, AFS received a \$900,000 signing bonus, which is recognized over seven years under this arrangement. For the years ended December 31, 2023 and 2022, royalty income totaled \$128,571 and \$128,571, respectively, which is included in journals program on the statements of activities.

AMERICAN FISHERIES SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(continued)

NOTE L – OFFICE BUILDING EQUITY

In May 1986, AFS executed an “equity participation agreement” with the Renewable National Resource Foundation (the “Foundation”), which will provide AFS with office space until December 31, 2079. Under the terms of the agreement, AFS is obligated to pay its share of all operating costs of the building.

Amortization expense under this agreement totaled \$12,090, for both years ended December 31, 2023 and 2022.

NOTE M - EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Tax Credit (“ERTC”) is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before December 31, 2021. An employer is eligible for the ERTC if they operated a trade or business during the calendar years 2020 or 2021 or both, and experienced either full or partial suspension of the operation of their trade or business during any calendar quarter because of governmental orders limiting commerce, travel, or group meetings due to COVID-19, or a significant decline in gross receipts. For the year ended December 31, 2022, AFS claimed the ERTC on their amended quarterly Form 941s filed, and was owed a refund as a result of this correction from the IRS in the amount of \$340,000, which is reported on the 2022 statement of activities. As of December 31, 2023 and 2022, the amount due from the IRS as a result of the ERTC totaled \$252,100 and \$340,000, respectively, which is included in accounts receivable on the statements of financial position.

NOTE N – SUBSEQUENT EVENTS

In preparing these financial statements, AFS has evaluated events and transactions for potential recognition or disclosure through July 19, 2024, the date the financial statements were available to be issued. There were no events, or transactions that were discovered during the evaluation that required further recognition or disclosure.