

**AMERICAN FISHERIES SOCIETY  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2017**

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 14



## Independent Auditor's Report

To the Governing Board  
American Fisheries Society  
Bethesda, Maryland

We have audited the accompanying financial statements of American Fisheries Society (a non-profit organization), which comprise the statement of financial position as of December 31, 2017, 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 risk 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the 2017 financial statements referred to above present fairly, in all material respects, the financial position of American Fisheries Society as of December 31, 2017, 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.

*James Marwood & McQuade PA*

Washington, DC  
August 9, 2018

**AMERICAN FISHERIES SOCIETY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	743,619
Accounts receivables, net		300,125
Inventory		290,410
Prepaid expenses		69,131
Total Current Assets		1,403,285

**OTHER ASSETS**

Investments		4,451,807
Property and equipment, net		416,799
Events deposit		29,726
Total Other Assets		4,898,332

**TOTAL ASSETS**

**\$ 6,301,617**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$	226,847
Accrued salaries and benefits		108,065
Due to sub-units		129,363
Deferred revenue		175,762
Deferred membership dues		259,556
Total Current Liabilities		899,593

**OTHER LIABILITIES**

Deferred revenue, net of current portion		771,428
Investments due to sub-units		220,359
Total Other Liabilities		991,787
Total Liabilities		1,891,380

**NET ASSETS**

Unrestricted:		
Available for operations		1,772,924
Board designated		269,727
Total unrestricted		2,042,651
Temporarily restricted		2,367,586
Total Net Assets		4,410,237

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 6,301,617**

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

**AMERICAN FISHERIES SOCIETY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Journals program	\$ 1,048,116	\$ -	\$ 1,048,116
Annual meeting	866,302	-	866,302
Membership dues	464,930	-	464,930
Contract revenue	259,577	-	259,577
Contributions	140,783	121,619	262,402
Interest and dividends	128,933	49,953	178,886
Educational programs	34,201	-	34,201
Publication sales	87,739	-	87,739
In-kind contributions	65,500	-	65,500
Promotion and outreach	49,791	-	49,791
Net assets released from restrictions	561,393	(561,393)	-
<b>Total Revenue and Support</b>	<u>3,707,265</u>	<u>(389,821)</u>	<u>3,317,444</u>
<b>EXPENSES</b>			
Program services:			
Annual meeting	979,831	-	979,831
Journals and publications	921,814	-	921,814
Policy, outreach and communication	538,723	-	538,723
Membership	408,129	-	408,129
Project management	318,206	-	318,206
Education and professional development	106,282	-	106,282
<b>Total Program Services</b>	<u>3,272,985</u>	<u>-</u>	<u>3,272,985</u>
Support services:			
General and administration	723,455	-	723,455
Fundraising	105,724	-	105,724
<b>Total Support Services</b>	<u>829,179</u>	<u>-</u>	<u>829,179</u>
<b>Total Expenses</b>	<u>4,102,164</u>	<u>-</u>	<u>4,102,164</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	(394,899)	(389,821)	(784,720)
<b>OTHER CHANGES</b>			
Net appreciation in fair value of investments	88,825	262,362	351,187
<b>CHANGE IN NET ASSETS</b>	(306,074)	(127,459)	(433,533)
<b>NET ASSETS, beginning of year</b>	<u>2,348,725</u>	<u>2,495,045</u>	<u>4,843,770</u>
<b>NET ASSETS, end of year</b>	<u>\$ 2,042,651</u>	<u>\$ 2,367,586</u>	<u>\$ 4,410,237</u>

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

**AMERICAN FISHERIES SOCIETY  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2017**

	PROGRAM SERVICES						SUPPORT SERVICES				Total
	Annual 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	\$ 177,830	\$ 336,305	\$ 408,424	\$ 157,298	\$ 105,761	\$ 67,390	\$ 1,253,008	\$ 291,670	\$ 82,513	\$ 374,183	\$ 1,627,191
Payroll taxes	13,090	24,755	30,064	11,579	7,785	4,960	92,233	20,783	6,074	26,857	119,090
Employee benefits	14,041	26,554	32,248	12,420	8,351	5,321	98,935	32,404	6,515	38,919	137,854
Pension	15,925	30,116	36,574	14,086	9,471	6,035	112,207	25,285	7,389	32,674	144,881
Subtotal Personnel Costs	220,886	417,730	507,310	195,383	131,368	83,706	1,556,383	370,142	102,491	472,633	2,029,016
Advertisement and promotion	-	-	545	693	1,535	-	2,773	-	-	-	2,773
Awards	1,384	-	-	24,104	-	-	25,488	-	-	-	25,488
Bad debt	-	243,540	-	-	-	-	243,540	-	-	-	243,540
Bank fees	16,357	3,069	-	-	-	-	19,426	32,971	-	32,971	52,397
Condominium fee	-	-	-	-	-	-	-	8,206	-	8,206	8,206
Continuing education	-	-	-	-	-	19,981	19,981	-	-	-	19,981
Depreciation and amortization	-	-	-	-	-	-	-	33,331	-	33,331	33,331
Dues, licenses and subscriptions	-	322	-	30,199	220	-	30,741	24,052	2,784	26,836	57,577
Editorial fees	-	58,340	-	-	-	-	58,340	-	-	-	58,340
Meetings and conferences	665,397	82	-	-	-	-	665,479	3,627	-	3,627	669,106
Office expenses	17,217	21	-	14,469	-	-	31,707	472	-	472	32,179
Postage and delivery	1,097	3,119	-	5,080	263	411	9,970	2,214	39	2,253	12,223
Printing and reproduction	4,097	952	-	2,703	-	-	7,752	415	-	415	8,167
Professional fees	5,215	101,483	15,229	57,449	63,216	-	242,592	121,565	-	121,565	364,157
Publication fee	-	56,801	-	-	-	-	56,801	-	-	-	56,801
Rebates to Chapters	-	-	-	73,168	-	-	73,168	-	-	-	73,168
Repairs and maintenance	-	-	-	-	-	-	-	424	-	424	424
Scholarships	-	-	-	-	96,028	-	96,028	1,000	-	1,000	97,028
Staff development	-	-	-	-	-	-	-	-	-	-	0
Stipends	-	-	-	-	-	-	-	-	-	-	0
Telephone and internet	9,924	-	-	4,881	-	2,040	16,845	23,610	-	23,610	40,455
Travel expenses	38,257	36,355	15,639	-	25,576	144	115,971	43,557	410	43,967	159,938
Utilities and cleaning	-	-	-	-	-	-	-	57,869	-	57,869	57,869
Total Expenses	<u>\$ 979,831</u>	<u>\$ 921,814</u>	<u>\$ 538,723</u>	<u>\$ 408,129</u>	<u>\$ 318,206</u>	<u>\$ 106,282</u>	<u>\$ 3,272,985</u>	<u>\$ 723,455</u>	<u>\$ 105,724</u>	<u>\$ 829,179</u>	<u>\$ 4,102,164</u>

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

**AMERICAN FISHERIES SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (433,533)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization expenses	33,331
Net appreciation in fair value of investments	(351,187)
Decrease (increase) in assets:	
Accounts receivable	66,340
Inventory	225,800
Prepaid expenses	(40,524)
Events deposit	14,492
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	174,614
Accrued salaries and benefits	(46,925)
Due to sub-units	37,494
Deferred revenue	750,148
Deferred membership	17,476
Investments due to sub-units	140,359
Net Cash Provided by Operating Activities	587,885

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of property and equipment	(28,994)
Proceeds from sale of investments	61,311
Purchases of investments	(104,243)
Net Cash Used for Investing Activities	(71,926)

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 515,959

**CASH AND CASH EQUIVALENTS - beginning of year** 227,660

**CASH AND CASH EQUIVALENTS - end of year** \$ 743,619

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



**AMERICAN FISHERIES SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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 objective of AFS is 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 the continuing development of fisheries workers.

AFS has the following program services:

Annual Meeting – AFS’s annual meeting services as a platform for members and organizes an international scientific gathering of fisheries professionals, students, exhibitors and suppliers in locations throughout North America. The annual meeting also presents and disseminates the latest research and issues in the profession and provides networking opportunities.

Journals and Publications – AFS publishes a peer-reviewed journal on the latest advancements and issues in fisheries science and management. AFS’s internet website provides content on media law and journalism, which is updated on a daily basis.

Policy, Outreach and Communication – AFS has crafted 38 official policy statements to provide science-based, objective information for policy makers. AFS promotes the goals of the society, monitors policy issues, and communicates with fisheries professionals and other interested parties through briefings, its website, newsletters and social media on the latest developments.

Membership – AFS services more than 6,700 members across the country in the area of licensure, professional development, continuing education, and community outreach. AFS provides its members the Administer Certification, membership directory, newsletters, awards, sub-unit activities, career counseling, and other membership benefits.

Project Management – AFS administers the Hutton Junior Fisheries Biology program, Agency Co-Op agreements, and other collaborative activities. AFS awards scholarships to deserving and qualified students who have demonstrated drive, dedication and leadership in their pursuit of careers in the fisheries industry.

Education and Professional Development – AFS coordinates and delivers continuing education and professional development programs to the general public on any new legislation and rules and regulations impacting information technology and fisheries services.

**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.

**AMERICAN FISHERIES SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Financial Statement Presentation

In accordance with the applicable Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) topic, 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:

*Unrestricted Net Assets* - Net assets not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed restrictions that will be met by either actions of AFS and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by AFS. There were no permanently restricted net assets as of December 31, 2017.

Cash and Cash Equivalents

For purposes of the statement of cash flows, AFS considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents in non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the accounts may exceed this limit; however, AFS believes it is not exposed to any significant credit risk on cash or cash equivalents.

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 is presented separately in the statement of activities as non-operating activities.

Board Designated Funds

The Board has designated a portion of unrestricted net assets to cover any capital and operating expenses. As of December 31, 2017, board designated funds totaled \$269,727.

**AMERICAN FISHERIES SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Accounts Receivables

Accounts receivables 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, bad debts are provided for on the allowance method.

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.

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. Leasehold improvements are amortized over the lesser of the asset's useful lives of the related assets or the lease term.

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

Furniture and equipment	3 – 5 years
Building improvements	39 years

Due to Chapters

Unremitted membership dues received by the AFS on behalf of its sub-units are appropriately recorded as liability.

Chapter investment liability

Investments received by AFS on behalf of its chapters are appropriately recorded as liability.

Deferred revenue

Deferred revenue consists primarily of books other publications sales received in advance of the period in which they are earned.

**AMERICAN FISHERIES SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Deferred Revenue (continued)

Deferred membership dues relate to revenue received in advance of the period in which the dues were earned.

Revenue Recognition

Journal subscriptions are revenue derived from royalties paid to AFS by its publisher based on the number of subscriptions. AFS receives an annual lump sum payment at the beginning of each year and quarterly interim payments for other earned services, thereafter.

Annual meeting revenue is recognized in the period in which the meetings are held. Amounts received in advance are recorded as deferred revenue.

Membership dues are recognized as revenue in the applicable membership period. Revenue received from dues which relates to future periods is treated as deferred revenue.

Contact revenue is recognized when the services are provided. Amounts received in advance of the services performed are recorded as deferred revenue.

Contributions are recognized as revenue in the period in which such promises or agreements are made, generally when the agreements have been received. 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 temporarily or permanently restricted revenue based on the donor's intent. When a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Publications revenue is recognized in the period in which publications and journals are issued. Amounts received in advance are recorded as deferred revenue.

In-Kind Contributions

In-kind contributions are recorded at fair value of the services or items received. AFS recognizes in-kind contributions that create or enhance non-financial assets, or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the year ended December 31, 2017, AFS received in-kind donated goods and services for its annual conference totaling \$65,500.

**AMERICAN FISHERIES SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Functional Expense Classification

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services that benefited from such costs.

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.

**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, 2017, AFS had no liability for tax on 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 are no unrecognized tax benefits or liabilities that need to be recorded.

AFS’s 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, 2014 through 2016 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 – FAIR VALUE MEASUREMENTS**

FASB ASC 820, *Fair Value Measurements and Disclosures*, 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

**AMERICAN FISHERIES SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
(continued)

**NOTE D – FAIR VALUE MEASUREMENTS - continued**

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.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

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

The following tables present the fair value hierarchy AFS's investments measured at fair value on a recurring basis as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 26,737	\$ -	\$ -	\$ 26,737
Mutual Funds	4,385,868	-	-	4,385,868
Equities and Options	39,202	-	-	39,202
Total	<u>\$ 4,451,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,451,807</u>

**AMERICAN FISHERIES SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
(continued)

**NOTE E – PROPERTY AND EQUIPMENT**

As of December 31, 2017, property and equipment consisted of the following:

Equity in office space	\$	558,843
Software		371,748
Building improvements		96,647
Furniture and equipment		51,469
Construction in progress (software development)		36,173
		1,114,880
Less: accumulated depreciation and amortization		(698,081)
Property and Equipment, net	\$	416,799

Depreciation and amortization expense for the years ended December 31, 2017, totaled \$33,331.

**NOTE F – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets represent contributions that are restricted by the donor as to either purpose or time. As of December 31, 2017, temporarily restricted net assets consisted of the following:

Fund Name	Membership Services	Outreach and Communications	Professional Development	Annual Meeting	Journals & Publications	Totals
Past Presidents	\$ 40,767	\$ -	\$ -	\$ -	\$ -	\$ 40,767
Snieszko Fund	68,294	-	-	-	-	68,294
Sully Fund	-	5,953	-	-	-	5,953
Puerto Rico	-	10,693	-	-	-	10,693
CRS/International	-	316,418	-	-	-	316,418
Shelby Gerkin	-	-	82,311	-	-	82,311
J Francis Allen	-	-	256,761	-	-	256,761
Publications	-	-	-	-	839,008	839,008
Steve Berkeley	-	-	-	-	362,105	362,105
Skinner Fund	-	-	-	385,276	-	385,276
Total Funds	\$109,061	\$ 333,064	\$ 339,072	\$385,276	\$1,201,113	\$ 2,367,586

**AMERICAN FISHERIES SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**  
(continued)

**NOTE G – 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 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. For the year ended December 31, 2017, employer contributions to the Plan totaled \$144,881.

**NOTE H – PUBLICATION RIGHTS ROYALTY**

During 2010, AFS signed a seven-year agreement with an outside party to manage the publication of its books and journals, which ended on December 31, 2017. As part of the agreement, AFS received a one-time publication rights royalty of \$1,000,000, which was recognized as revenue over seven years, beginning on January 1, 2011. Effective, January 1, 2018, AFS entered into a similar agreement with a different publisher. AFS received a \$900,000 signing bonus, which will be recognized over seven years under the new arrangement. For the year ended December 31, 2017, royalty income totaled \$142,910, which is included in journals program on the statement of activities.

**NOTE I – 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. AFS has also executed an "equity lease" agreement with the Foundation for additional office space in an adjoining building for 98 years beginning April 1, 1988. Under the terms of the agreements, AFS is obligated to pay its share of all operating costs of the buildings. For the year ended December 31, 2017, amortization expense under this agreement totaled \$9,358.

**NOTE J – SUBSEQUENT EVENTS**

In preparing these financial statements, AFS has evaluated events and transactions for potential recognition or disclosure through August 9, 2018, the date the financial statements were available to be issued. Except for the new publication agreement as indicated in Note H, there were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.