

INTERNATIONAL ASSOCIATION FOR ACCOUNTING EDUCATION AND RESEARCH

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS WITH FUND BALANCE

(Years Ended December 31, 2002, 2003 and 2004)

	Euros	Year 2004			Year 2003			Year 2002
		Europe	USA	consol.	Europe	USA	consol.	consol.
REVENUES								
Membership Dues								
Individual	€ 0	\$0	\$7.100	\$7.100	\$296	\$15.240	\$15.536	\$2.694
Institutional	€ 1.272	\$1.729	\$9.100	\$10.829	\$3.634	\$10.500	\$14.134	\$12.128
Institutional paid by KPMG						\$8.250	\$8.250	
Affiliate						\$100	\$100	\$500
Other Revenue								
Interest	€ 141	\$192		\$192	\$206		\$206	\$436
9th World Congress								\$10.000
Miscellaneous	€ 162	\$220		\$220		\$8	\$8	\$35
Conferences								
2002 9th World Congress, Hong Kong						\$11.580	\$11.580	
Grants								
ICAEW Grant-web site								\$5.000
ACCA Grant						\$10.000	\$10.000	
KPMG Grant			\$1.900	\$1.900				\$2.800
Total Revenues	€ 1.575	\$2.142	\$18.100	\$20.242	\$4.136	\$55.678	\$59.814	\$33.593
EXPENSES								
Membership Services								
COSMOS Printing			\$305	\$305		\$367	\$367	\$374
Mail			\$269	\$269		\$284	\$284	\$500
Supplies and Shipping								\$30
Fees for Non-Profit filing						\$1.421	\$1.421	\$3.400
Bank Fees/Other	€ 44	\$59	\$434	\$493		\$483	\$483	\$544
Web site costs			\$674	\$674		\$1.424	\$1.424	\$2.229
Newsletter			\$675	\$675				\$1.782
EIASM fees								\$5.527
Other			\$195	\$195		\$1.000	\$1.000	
Committees								
Travel	€ 2.478	\$3.369	\$2.670	\$6.040	\$2.984		\$2.984	\$1.564
Meetings	€ 557	\$757	\$2.254	\$3.011	\$295	\$1.332	\$1.627	\$1.302
Conferences								
4th Biennial Conference-SAAA			\$7.186					
9th World Congress- Hong Kong								\$30.773
Total Expenses	€ 3.078	\$4.186	\$14.662	\$18.848	\$3.280	\$6.311	\$9.591	\$48.025
EXCESS OF REVENUES OVER EXPENSES	-€ 1.503	-\$2.044	\$3.438	\$1.394	\$857	\$49.367	\$50.224	-\$14.432
FUND BALANCE - beginning of year								
	€ 22.934	\$27.521	\$59.619	\$87.140	\$26.664	\$10.252	\$36.916	\$46.067
Exchange Rate Change Adjustment		\$3.669		\$3.669	\$3.777		\$3.777	\$1.504
FUND BALANCE - end of year	€ 21.431	\$29.146	\$63.057	\$92.203	\$27.521	\$59.619	\$87.140	\$33.139
Fund Balance Consists of -								
Cash in Bank-US			\$63.057	\$63.057		\$59.619	\$59.619	\$10.252
Cash in Bank-non US	€ 21.431	\$29.146		\$29.146	\$27.521		\$27.521	\$22.887
FUND BALANCE - end of year	€ 21.431	\$29.146	\$63.057	\$92.203	\$27.521	\$59.619	\$87.140	\$33.139

Euros have been translated to US Dollars at the rate 1,03 to 1 for 2002, and 1,20 for 2003 and 1,36 in 2004.

The Exchange Rate Difference in 2004 was calculated as the difference of the Euro account between EUR 22.934 translated at 1,36 in 2004 and 1,20 in 2003.

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

INTERNATIONAL ASSOCIATION FOR ACCOUNTING EDUCATION AND RESEARCH

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and practices followed by the International Association for Accounting Education and Research are as follows:

DESCRIPTION OF ORGANIZATION - The International Association for Accounting Education and Research (IAAER) is a global not-for-profit organization. It is registered as a not-for-profit corporation in Illinois, USA.

The mission of the IAAER is to promote excellence in accounting education and research on a worldwide basis and to maximize the contribution of accounting academics to the development and maintenance of high quality, globally recognized standards of accounting practice.

IAAER carries out this mission by engaging in the following activities:

- Bringing an objective, research-based, academic voice to the development and approval process of international accounting and auditing standards through its relationships with various international bodies.
- Participating in the development of International Accounting Education Standards through its representation on the International Federation of Accountants Education Committee (IFACEC).
- Communicating with its individual members and academic and professional association members through the IAAER newsletter, COSMOS Accountancy Chronicle, and other means.
- Continuing its support of the Journal of International Financial Management and Accounting, the official journal of IAAER.
- Supporting the development of regional conferences on accounting education and research by working cooperatively with national and regional academic accounting organizations.
- Co-hosting the Fourth Biennial International Accounting Conference in South Africa (2004).
- Promoting communication on educational issues among professional associations through conferences for education directors.
- Expanding membership of both individual members and academic and professional association members.

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (Continued)

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting. Under that basis, the only assets recognized are cash and cash equivalents and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because neither assets other than cash nor financial liabilities are to be seen. In the case of the association, the effects of outstanding dues unpaid at the date of the financial statements are not included in the financial statements.

MEMBERSHIP DUES

As of December 31, 2002 there were 883 individual members and 47 institutional members. Many of these memberships expired on December 31, 2002 without renewal. On December 31, 2003 there were 639 individual and 48 institutional members. On December 2004 there were 358 individual members (thereof about 300 1-year members and 58 3-year members) and 26 institutional members. Individual members' dues are US\$ 45 for three years and US\$ 15 for one year. Institutional membership dues are US\$ 350 annually. It is the policy of the Executive Committee to waive the membership fee for institutional members in cases where it is difficult or impossible to obtain U.S. dollars.

INVESTMENT OF CASH

The organization invested cash not needed for current operations in certificates of deposit. The cash was moved from KeyBank National Association located in South Bend, Indiana to EIASM on January 6, 2000. This investment ended in early 2003. As of December 31, 2002, 2003 and 2004 these certificates of deposit consist of the following amounts:

	2002	2003	2004
Certificates of Deposit	<u>\$15,320</u>	<u>\$0</u>	<u>\$0</u>

COMMITMENTS

The organization was committed to support the research conference in 2004 in South Africa with the amount of \$5,000