

**INTERNATIONAL ASSOCIATION  
FOR ACCOUNTING EDUCATION  
AND RESEARCH**

YEARS ENDED DECEMBER 31, 2009 AND 2008

# **INTERNATIONAL ASSOCIATION FOR ACCOUNTING EDUCATION AND RESEARCH**

YEARS ENDED DECEMBER 31, 2009 AND 2008

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*Independent Affiliate  
of BKR International*

**Board of Directors  
International Association for  
Accounting Education and Research  
Chicago, Illinois**

We have reviewed the accompanying statement of assets, liabilities and net assets – cash basis of the International Association for Accounting Education and Research (a nonprofit organization) (IAAER) as of December 31, 2009 and the related statements of support, revenue and expenses – cash basis and changes in net assets – cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of IAAER.

A review consists principally of inquiries of IAAER personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note 1.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the cash basis of accounting. The additional information – cash basis included on pages 9 and 10 is presented only for supplementary analysis purposes. Such information has been subject to the inquiry and analytical procedures applied in the review of the basic financial statements and we are not aware of any material modifications that should be made thereto.

The 2008 financial statements of the International Association for Accounting Education and Research were reviewed by other accountants, whose report dated November 13, 2009 stated that they were not aware of any material modifications that should be made to those statements in order for them to be in conformity with the cash basis method of accounting.

*Ostrow Reisin Berk + Abrams, Ltd.*

September 21, 2010

**INTERNATIONAL ASSOCIATION FOR  
ACCOUNTING EDUCATION AND RESEARCH**

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS  
(Cash basis)

December 31,	2009	2008
<b>ASSETS</b>		
Cash	\$ 152,722	\$ 133,206
Certificates of deposit	117,540	70,938
<b>Total assets</b>	<b>\$ 270,262</b>	<b>\$ 204,144</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities	\$ -	\$ -
Net assets:		
Unrestricted	149,532	137,167
Temporarily restricted (Note 3)	120,730	66,977
<b>Total net assets</b>	<b>270,262</b>	<b>204,144</b>
<b>Total liabilities and net assets</b>	<b>\$ 270,262</b>	<b>\$ 204,144</b>

*See accountants' review report and notes to financial statements.*

**INTERNATIONAL ASSOCIATION FOR  
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**STATEMENT OF SUPPORT, REVENUE AND EXPENSES  
(Cash basis)**

Years ended December 31,	2009	2008
Changes in unrestricted net assets:		
Public support and revenue:		
Membership dues:		
Individuals	\$ 26,950	\$ 14,915
Universities	7,110	5,990
Institutional, academic and professional	13,297	13,182
Total membership dues	47,357	34,087
Interest income	3,649	7,143
Net assets released from restrictions (Note 3)	143,865	65,956
Total public support and revenue	194,871	107,186
Expenses:		
Program expenses:		
Member services	52,179	35,622
Meetings and conferences	33,835	22,802
Research projects	94,050	48,647
Total program expenses	180,064	107,071
Support expenses:		
Management and general	2,442	1,029
Total expenses	182,506	108,100
Increase (decrease) in unrestricted net assets	12,365	(914)

*See accountants' review report and notes to financial statements.*

**INTERNATIONAL ASSOCIATION FOR  
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**STATEMENT OF SUPPORT, REVENUE AND EXPENSES (CONTINUED)**  
(Cash basis)

Years ended December 31,	2009	2008
Changes in temporarily restricted net assets:		
Public support:		
Grants received	\$ 197,618	\$ 17,689
Net assets released from restrictions (Note 3)	(143,865)	(65,956)
Increase (decrease) in temporarily restricted net assets	53,753	(48,267)
Increase (decrease) in net assets	\$ 66,118	\$ (49,181)

*See accountants' review report and notes to financial statements.*

**INTERNATIONAL ASSOCIATION FOR  
ACCOUNTING EDUCATION AND RESEARCH**

**STATEMENT OF CHANGES IN NET ASSETS  
(Cash basis)**

Years ended December 31, 2009 and 2008	Unrestricted	Temporarily restricted	Total
Balances, December 31, 2007	\$ 138,081	\$ 115,244	\$ 253,325
Decrease in net assets	(914)	(48,267)	(49,181)
<b>Balances, December 31, 2008</b>	<b>137,167</b>	<b>66,977</b>	<b>204,144</b>
<b>Increase in net assets</b>	<b>12,365</b>	<b>53,753</b>	<b>66,118</b>
<b>Balances, December 31, 2009</b>	<b>\$ 149,532</b>	<b>\$ 120,730</b>	<b>\$ 270,262</b>

*See accountants' review report and notes to financial statements.*



# **INTERNATIONAL ASSOCIATION FOR ACCOUNTING EDUCATION AND RESEARCH**

## **NOTES TO FINANCIAL STATEMENTS (Cash basis)**

### **1. Summary of significant accounting policies**

#### **Operations:**

The International Association for Accounting Education and Research (IAAER) is an Illinois not-for-profit organization incorporated on November 4, 2002. IAAER is a global organization founded to promote excellence in accounting education and research on a worldwide basis and to maximize the contributions of accounting academics to the development and maintenance of high quality, globally recognized standards.

#### **Cash basis of accounting:**

IAAER prepares its financial statements substantially on the basis of cash receipts and disbursements; consequently, revenue and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligations are incurred. Accordingly, the accompanying financial statements are not intended to present financial position, changes in net assets and cash flows on the accrual basis of accounting in conformity with generally accepted accounting principles.

#### **Income taxes:**

IAAER is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to IAAER are deductible for income tax purposes within the limitations of the law.

IAAER's tax reporting is on the same cash basis of accounting used in preparing these financial statements.

### **2. Concentrations of public support**

Two supporters accounted for approximately 81% and 34% of IAAER's public support and revenue for the years ended December 31, 2009 and 2008, respectively.

**INTERNATIONAL ASSOCIATION FOR  
ACCOUNTING EDUCATION AND RESEARCH**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
(Cash basis)

**3. Temporarily restricted net assets**

Temporarily restricted net assets represent unused research grants as follows:

December 31,	2009	2008
KPMG IASB grant	\$ 97,945	\$ 66,977
ACCA SME roundtable grant	15,041	
ACCA developing research skills grant	7,744	
Total temporarily restricted net assets	\$ 120,730	\$ 66,977

Net assets were released from restrictions by incurrence of expenses satisfying the restricted purpose or by occurrence of events specified by the donor.

**4. Subsequent events**

Management of IAAER has reviewed and evaluated subsequent events from December 31, 2009, the financial statement date, through September 21, 2010, the date the financial statements were available to be issued. No events have occurred in this period that would be required to be recognized and/or disclosed in these financial statements as required by generally accepted accounting principles.

**INTERNATIONAL ASSOCIATION FOR  
ACCOUNTING EDUCATION AND RESEARCH**

**GRANTS RECEIVED  
(Cash basis)**

Years ended December 31,	2009	2008
Association of Chartered Certified Accountants (ACCA):		
International Accounting Education Standards Board (IAESB) research grant	\$ 52,500	
Developing research skills grant	22,973	\$ 3,879
SME roundtable grant	16,311	8,810
KPMG:		
International Accounting Standards Board (IASB) grant	75,000	
eIFRS and website grant	25,000	
Diversity grant	5,000	5,000
World Bank program grant	834	
<b>Total grants received</b>	<b>\$ 197,618</b>	<b>\$ 17,689</b>

*See accountants' review report.*

**INTERNATIONAL ASSOCIATION FOR  
ACCOUNTING EDUCATION AND RESEARCH**

PROGRAM AND SUPPORT EXPENSES  
(Cash basis)

Years ended December 31,	2009					2008				
	Program		Management and General	Total		Program		Research Projects	Management and General	Total
	Member Services	Meetings and Conferences				Meetings and Conferences	Research Projects			
Academic research team grants	\$ 5,921	\$ 15,217	\$ 94,050	\$ 94,050	\$ 48,647	\$ 48,647	\$ 48,647	\$ 48,647	\$ 48,647	
Travel		18,618	21,138	21,138	3,622	13,744	17,366	17,366	17,366	
Conferences and workshops			16,029	16,029	18,618	6,364	6,364	6,364	6,364	
Website costs	16,029			16,029	18,615		18,615	18,615	18,615	
Mentor program	13,705			13,705	9,244		9,244	9,244	9,244	
Research database (eIFRS)	9,709			9,709						
Standard advisory council	4,456			4,456						
Office expense				2,442						
Bank fees	2,159			2,159	1,962			1,962	1,962	
Publishing	200			200	1,015	2,694		3,709	3,709	
Currency translation					1,164			1,164	1,164	
<b>Total program and support expenses</b>	<b>\$ 52,179</b>	<b>\$ 33,835</b>	<b>\$ 94,050</b>	<b>\$ 182,506</b>	<b>\$ 2,442</b>	<b>\$ 22,802</b>	<b>\$ 48,647</b>	<b>\$ 1,029</b>	<b>\$ 108,100</b>	

See accountants' review report.