

International Association for Accounting Education and Research

Financial Report – Cash Basis
December 31, 2015

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RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the International Association for Accounting Education and Research (IAAER), which comprise the statements assets and net assets arising from cash transactions as of December 31, 2015 and 2014 and the related statements of support, revenue and expenses for the years 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 misstatement.

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 risks 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 IAAER's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used 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.

Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the International Association for Accounting Education and Research as of December 31, 2015 and 2014 and its revenue collected and expenses paid during the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Our audits was conducted for the purpose of forming an opinion of the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Dayton, Ohio
April 22, 2016

**International Association for
Accounting Education and Research**

**Statements of Assets and Net Assets - Cash Basis
December 31, 2015 and 2014**

Assets	2015	2014
Cash	\$ 509,513	\$ 471,748
Certificates of deposit	-	101,092
Total assets	\$ 509,513	\$ 572,840
Net assets:		
Unrestricted - general	\$ 238,535	\$ 223,349
Unrestricted - designated	9,623	41,658
Temporarily restricted	261,355	307,833
Total net assets	509,513	572,840
Total liabilities and net assets	\$ 509,513	\$ 572,840

See notes to financial statements.

**International Association for
Accounting Education and Research**

**Statements of Support, Revenue and Expenses - Cash Basis
Years Ended December 31, 2015 and 2014**

	2015	2014
Changes in unrestricted net assets:		
Public support and revenue:		
Membership dues:		
Individuals	\$ 23,880	\$ 26,330
Universities	14,013	10,931
Institutional, academic and professional	11,315	12,653
Total membership dues	49,208	49,914
World congress of accounting educators and researchers abstracts conference	-	44,567
SAAA workshop	13,650	-
Interest income	29	1,296
Miscellaneous income	-	1,421
Net assets released from restrictions	138,759	227,817
Total public support and revenue	201,646	325,015
Expenses:		
Program expenses:		
Member services	18,752	26,196
Meetings and conferences	53,296	18,235
Research projects	115,007	196,620
Total program expenses	187,055	241,051
Support expense:		
Management and general	31,440	39,131
Total expenses	218,495	280,182
Change in unrestricted net assets	(16,849)	44,833
Changes in temporarily restricted net assets:		
Public support and revenue:		
Grants received	92,281	217,255
Net assets released from restrictions	(138,759)	(227,817)
Change in temporarily restricted net assets	(46,478)	(10,562)
Change in net assets	\$ (63,327)	\$ 34,271

See notes to financial statements.

**International Association for
Accounting Education and Research**

**Statements of Changes in Net Assets - Cash Basis
Years Ended December 31, 2015 and 2014**

	Unrestricted	Temporarily Restricted	Total
Balance, January 1, 2014	\$ 220,174	\$ 318,395	\$ 538,569
Change in net assets	44,833	(10,562)	34,271
Balance, December 31, 2014	265,007	307,833	572,840
Change in net assets	(16,849)	(46,478)	(63,327)
Balance, December 31, 2015	\$ 248,158	\$ 261,355	\$ 509,513

See notes to financial statements.

**International Association for
Accounting Education and Research**

Notes to Financial Statements – Cash Basis

Note 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 6, 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. IAAER records donations at the time of receipt. Donations are classified as follows:

Unrestricted funds: include funds, which impose no restrictions on IAAER as to the use or purpose. Such funds are expended for charitable purposes as deemed appropriate by the organization.

Temporarily restricted funds: include funds whose use by IAAER has been limited by donors to a specific time, period, or purpose.

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 the financial position or changes in net assets on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America.

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 limitations of the law.

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

Membership dues: Membership dues are recorded and earned when payment is received. Memberships are annual, beginning when an individual member or group join, and are non-refundable once payment is submitted.

Note 2. Cash

IAAER maintains cash accounts, consisting of checking and savings accounts, at financial institutions which sometimes exceeds the federally insured limit of \$250,000 by the Federal Deposit Insurance Corporation. IAAER manages this risk by utilizing two separate financial institutions.

Note 3. Certificates of Deposit

IAAER maintained an 18 month renewable certificate of deposit with Bank of America, originating on March 8, 2012, which matured March 8, 2015 and was not renewed. Interest on the certificate of deposit was 0.15% for the term with no penalty on withdrawal.

Note 4. Concentrations of Public Support and Revenue

Three supporters accounted for approximately 59% and 70% of IAAER's public support and revenues for the years ended December 31, 2015 and 2014, respectively.

**International Association for
Accounting Education and Research**

Notes to Financial Statements – Cash Basis

Note 5. Temporarily Restricted Net Assets

Temporarily restricted net assets represent unused research grants as follows for the years ended December 31:

	2015	2014
KPMG IASB grant	\$ 107,275	\$ 109,140
KPMG IAASB grant	-	67,032
KPMG eIFRS and Website grant	27,117	31,369
KPMG Diversity grant	15,961	12,249
ACCA developing research skills grant	33,264	34,646
ACCA Other Temporarily Restricted	15,834	16,634
Deloitte Scholars	61,904	36,763
Total temporarily restricted net assets	\$ 261,355	\$ 307,833

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

Note 6. Subsequent Events

Management of IAAER has evaluated subsequent events for potential recognition and/or disclosure through April 22, 2016, the date the financial report was available to be issued.

Supplementary Information

**International Association for
Accounting Education and Research**

**Grants Received - Cash Basis
Years Ended December 31, 2015 and 2014**

	2015	2014
Association of Chartered Certified Accountants (ACCA):		
Developing research skills grant	\$ 22,781	\$ 24,755
KPMG:		
International Accounting Standards Board (IASB) grant	-	25,000
eIFRS and website grant	14,500	43,500
Diversity grant	5,000	10,000
International Auditing and Assurance Standard Board (IAASB) grant	-	64,000
Deloitte:		
Deloitte Scholars Fund	50,000	50,000
Total grants received	\$ 92,281	\$ 217,255

**International Association for
Accounting Education and Research**

**Program and Support Expenses - Cash Basis
Year Ended December 31, 2015**

	Program				Total
	Member Services	Meetings and Conferences	Research Projects	Management and General	
Academic research team grants	\$ -	\$ -	\$ 115,007	\$ -	\$ 115,007
World Congress conference		34,236			34,236
SAAA Workshop		11,448			11,448
Travel		7,612			7,612
Research database (eIFRS)	18,752				18,752
Office expense				858	858
Contract services				18,750	18,750
Professional fees				10,060	10,060
Bank fees				1,772	1,772
Total program and support expenses	\$ 18,752	\$ 53,296	\$ 115,007	\$ 31,440	\$ 218,495

**International Association for
Accounting Education and Research**

**Program and Support Expenses - Cash Basis
Year Ended December 31, 2014**

	Program				Total
	Member Services	Meetings and Conferences	Research Projects	Management and General	
Academic research team grants	\$ -	\$ -	\$ 196,620	\$ -	\$ 196,620
World Congress conference		2,909			2,909
Website costs	3,636				3,636
Travel		15,326			15,326
Research database (eIFRS)	22,560				22,560
Office expense				1,046	1,046
Contract services				25,000	25,000
Professional fees				10,432	10,432
Bank fees				1,911	1,911
Miscellaneous Expense				742	742
Total program and support expenses	\$ 26,196	\$ 18,235	\$ 196,620	\$ 39,131	\$ 280,182