

International Association for Accounting Education and Research

Financial Report—Cash Basis
December 31, 2022

Contents

Independent accountant's review report	1-2
<hr/>	
Financial statements	
Statements of assets and net assets—cash basis	3
Statements of revenue collected and expenses paid—cash basis	4
Statements of changes in net assets—cash basis	5
Notes to financial statements—cash basis	6-8
Supplementary information	
Grants received—cash basis	9

Independent Accountant's Review Report

Executive Committee
International Association for
Accounting Education and Research
Chicago, Illinois

We have reviewed the accompanying financial statements the International Association for Accounting Education and Research (IAAER), which comprise the statements of assets and net assets—cash basis as of December 31, 2022, and the related statements of revenue collected and expenses paid—cash basis, and changes in net assets—cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Emphasis of Matter—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.

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 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of IAAER and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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 accordance with the cash basis of accounting described in Note 1.

Report on 2021 Financial Statements

The 2021 financial statements of IAAER were audited by us, and we expressed an unmodified opinion on them in our report, dated April 15, 2022. We have not performed any auditing procedures since that date.

Supplementary Information

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

RSM US LLP

Dayton, Ohio
August 7, 2023

**International Association for
Accounting Education and Research**

**Statements of Assets and Net Assets—Cash Basis
December 31, 2022 and 2021
See Independent Accountant's Report**

	(Reviewed) 2022	(Audited) 2021
<hr/>		
Assets		
Cash	<u><u>\$ 576,060</u></u>	<u><u>\$ 541,494</u></u>
Net Assets		
Without donor restrictions—general	\$ 311,412	\$ 310,851
Without donor restrictions—designated	<u>44,461</u>	<u>25,246</u>
Total net assets without donor restrictions	<u>355,873</u>	<u>336,097</u>
With donor restrictions	<u>220,187</u>	<u>205,397</u>
Total net assets	<u><u>\$ 576,060</u></u>	<u><u>\$ 541,494</u></u>

See notes to financial statements.

**International Association for
Accounting Education and Research**

**Statements of Revenue Collected and Expenses Paid—Cash Basis
Years Ended December 31, 2022 and 2021
See Independent Accountant's Report**

	(Reviewed) 2022	(Audited) 2021
Changes in net assets without donor restrictions:		
Public support and revenue:		
Membership dues:		
Individuals	\$ 7,395	\$ 9,015
Universities	8,225	14,868
Institutional, academic and professional	4,778	4,250
Total membership dues	20,398	28,133
World congress of accounting educators and researchers conference	37,805	-
Interest income	58	55
Net assets released from restrictions	75,231	78,385
Total public support and revenue	133,492	106,573
Expenses:		
Program expenses:		
Member services	10,646	22,035
Meetings and conferences	47,174	500
Research projects	36,000	56,000
Total program expenses	93,820	78,535
Support expense:		
Management and general	19,896	20,676
Total expenses	113,716	99,211
Change in net assets without donor restrictions	19,776	7,362
Changes in net assets with donor restrictions:		
Public support and revenue:		
Grants received	90,021	59,994
Net assets released from restrictions	(75,231)	(78,385)
Change in net assets with donor restrictions	14,790	(18,391)
Change in net assets	\$ 34,566	\$ (11,029)

See notes to financial statements.

**International Association for
Accounting Education and Research**

**Statements of Changes in Net Assets—Cash Basis
Years Ended December 31, 2022 and 2021
See Independent Accountant's Report**

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, January 1, 2021 (audited)	\$ 328,735	\$ 223,788	\$ 552,523
Change in net assets	7,362	(18,391)	(11,029)
Balance, December 31, 2021 (audited)	336,097	205,397	541,494
Change in net assets	19,776	14,790	34,566
Balance, December 31, 2022 (reviewed)	\$ 355,873	\$ 220,187	\$ 576,060

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.

Basis of presentation: The accompanying financial statements are prepared on the cash basis of accounting; 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.

IAAER is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are net assets that are free of donor-imposed restrictions as well as net assets designated by the Executive Committee.

Net assets with donor restrictions include net assets from grants, contributions, investment income or other inflows where the use is limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled by actions of IAAER.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related asset is limited by donor-imposed restrictions. When a donor restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statement of support, revenue and expenses as net assets released from restrictions.

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.

IAAER has evaluated its tax positions and concluded that IAAER has taken no uncertain tax positions that require adjustment to the financial statements. IAAER is no longer subject to tax examination by the Internal Revenue Service for years before 2019. IAAER has no examinations in process.

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

Subsequent events: Management of IAAER has evaluated subsequent events for potential recognition and/or disclosure through August 7, 2023, the date the financial report was available to be issued.

**International Association for
Accounting Education and Research**

**Notes to Financial Statements
Cash Basis**

Note 2. Cash

IAAER maintains cash accounts, consisting of checking and savings accounts, at financial institutions which sometimes exceed 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. Concentrations of Public Support and Revenue

Two supporters accounted for approximately 61% and one supporter accounted for approximately 68% of IAAER's public support and revenues for the years ended December 31, 2022 and 2021, respectively.

Note 4. Net Assets With Donor Restrictions

Net assets with donor restrictions represent unused research grants as follows for the years ended December 31:

	2022	2021
KPMG IASB grant	\$ 57,088	\$ 41,927
KPMG eIFRS and website grant	5,169	15,814
KPMG diversity grant	27,478	17,478
Association of Chartered Certified Accountants (ACCA) developing research skills grant	68,104	68,104
ACCA IAAER scholars	10,756	-
ACCA other	7,934	12,934
Deloitte scholars	43,658	49,140
Total net assets with donor restrictions	<u>\$ 220,187</u>	<u>\$ 205,397</u>

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

Note 5. Functional Classification of Expenses

Expenses classified by natural classification for the years ended December 31, are summarized as follows:

	2022					
	Program Services			Total Program	Management and General	Total Expenses
Member Services	Meetings and Conferences	Research Projects				
Academic research team grants	\$ -	\$ -	\$ 36,000	\$ 36,000	\$ -	\$ 36,000
World Congress conference	-	31,739	-	31,739	-	31,739
Travel	-	15,435	-	15,435	-	15,435
Research database (eIFRS)	10,646	-	-	10,646	-	10,646
Contract services	-	-	-	-	5,900	5,900
Professional fees	-	-	-	-	13,350	13,350
Bank fees	-	-	-	-	646	646
Total expenses	<u>\$ 10,646</u>	<u>\$ 47,174</u>	<u>\$ 36,000</u>	<u>\$ 93,820</u>	<u>\$ 19,896</u>	<u>\$ 113,716</u>

**International Association for
Accounting Education and Research**

**Notes to Financial Statements
Cash Basis**

Note 5. Functional Classification of Expenses (Continued)

	2021					
	Program Services				Management and General	Total Expenses
	Member Services	Meetings and Conferences	Research Projects	Total Program		
Academic research team grants	\$ -	\$ -	\$ 56,000	\$ 56,000	\$ -	\$ 56,000
Travel	-	500	-	500	-	500
Research database (eIFRS)	22,035	-	-	22,035	-	22,035
Contract services	-	-	-	-	6,757	6,757
Professional fees	-	-	-	-	13,040	13,040
Bank fees	-	-	-	-	879	879
Total expenses	\$ 22,035	\$ 500	\$ 56,000	\$ 78,535	\$ 20,676	\$ 99,211

The cost of providing IAAER's programs and other activities is summarized on a functional basis in the statements of revenue collected and expenses paid. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of IAAER.

Note 6. Liquidity and Availability

The table below represents financial assets available for general expenditures within one year of December 31:

	2022	2021
Financial assets at year-end:		
Cash	\$ 576,060	\$ 541,494
Less amounts not available to be used within one year:		
Net assets with donor restrictions	220,187	205,397
Net assets without donor restrictions—designated	44,461	25,246
Financial assets not available to be used within one year	264,648	230,643
Financial assets available to meet general expenditures within one year	\$ 311,412	\$ 310,851

IAAER regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations.

The above table reflects board-designated net assets as unavailable because it is IAAER's intention to invest those resources for the long-term support of IAAER. However, in the case of need, the Executive Committee could appropriate resources from its designated funds.

Supplementary Information

**International Association for
Accounting Education and Research**

Grants Received

Cash Basis

Years Ended December 31, 2022 and 2021

	2022	2021
ACCA:		
Young scholars mentoring program	\$ 20,027	\$ -
KPMG:		
Diversity grant	10,000	-
IASB grant	59,994	59,994
Total grants received	\$ 90,021	\$ 59,994