

AMERICAN ACCOUNTING ASSOCIATION
SARASOTA, FLORIDA

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

Nine Months Ended May 31, 2010 and
Year Ended August 31, 2009

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INDEPENDENT AUDITOR'S REPORT

Executive Committee
American Accounting Association
Sarasota, Florida

We have audited the accompanying statements of financial position of the American Accounting Association (a not-for-profit organization) as of May 31, 2010 and August 31, 2009, and the related statements of activities, functional expenses and cash flows for the nine months ended May 31, 2010 and the year ended August 31, 2009. These financial statements are the responsibility of the Association's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Accounting Association as of May 31, 2010 and August 31, 2009, and the changes in its net assets and its cash flows for the nine months ended May 31, 2010 and the year ended August 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A to the financial statements, the American Accounting Association changed its fiscal year from August 31 to May 31.

CPA Associates

Bradenton, Florida
October 11, 2010

AMERICAN ACCOUNTING ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

	May 31, 2010	August 31, 2009
ASSETS		
Cash and cash equivalents	\$ 4,405,955	4,687,200
Designated cash and cash equivalents	--	425,812
Certificates of deposit	1,850,000	1,850,000
Accounts receivable	259,268	332,734
Interest receivable	1,070	1,290
Pledges receivable - net	560,090	858,869
Publications inventory	4,876	7,403
Prepays and other assets	80,683	47,657
Property and equipment - net	889,128	738,707
 TOTAL ASSETS	 \$ 8,051,070	 8,949,672
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 349,984	1,087,364
Deferred revenue	1,819,957	1,368,846
Total liabilities	2,169,941	2,456,210
Net assets		
Unrestricted		
Undesignated	5,182,230	5,210,723
Board designated	--	425,812
Temporarily restricted	698,899	856,927
Total net assets	5,881,129	6,493,462
 TOTAL LIABILITIES AND NET ASSETS	 \$ 8,051,070	 8,949,672

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION
STATEMENT OF ACTIVITIES
Nine Months Ended May 31, 2010

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Membership dues	\$ 1,174,531	--	1,174,531
FASB codification	89,153	--	89,153
Subscriptions	746,192	--	746,192
Advertising	83,351	--	83,351
Publications/aggregators	907,433	--	907,433
Contributions	221,427	20,865	242,292
Interest and dividend income	25,999	--	25,999
Other revenue (primarily from programs and seminars)	803,860	--	803,860
Net assets released from restrictions	178,893	(178,893)	--
Total support and revenue	4,230,839	(158,028)	4,072,811
Expenses			
Program services			
Annual meeting	270,844	--	270,844
Committees and awards	139,732	--	139,732
Conferences and consortia	463,618	--	463,618
Memberships and subscriptions	172,120	--	172,120
Publications	1,062,471	--	1,062,471
Region support	273,658	--	273,658
Section support	936,004	--	936,004
Support services			
Management and general	1,366,697	--	1,366,697
Total expenses	4,685,144	--	4,685,144
Change in net assets	(454,305)	(158,028)	(612,333)
Net assets at beginning of period	5,636,535	856,927	6,493,462
Net assets at end of period	<u>\$ 5,182,230</u>	<u>698,899</u>	<u>5,881,129</u>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended August 31, 2009

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Membership dues	\$ 1,486,471	--	1,486,471
Subscriptions	981,548	--	981,548
Advertising	117,752	--	117,752
Publications/aggregators	1,245,751	--	1,245,751
Contributions	187,895	7,161	195,056
Interest and dividend income	56,387	--	56,387
Annual meeting	1,639,471	--	1,639,471
Other revenue (primarily from programs and seminars)	847,701	--	847,701
Net assets released from restrictions	470,143	(470,143)	--
Total support and revenue	7,033,119	(462,982)	6,570,137
Expenses			
Program services			
Annual meeting	1,810,236	--	1,810,236
Committees and awards	228,658	--	228,658
Conferences and consortia	625,912	--	625,912
Memberships and subscriptions	198,069	--	198,069
Publications	1,255,029	--	1,255,029
Region support	261,342	--	261,342
Section support	813,268	--	813,268
Support services			
Management and general	1,533,884	--	1,533,884
Total expenses	6,726,398	--	6,726,398
Change in net assets	306,721	(462,982)	(156,261)
Net assets at beginning of year	5,329,814	1,319,909	6,649,723
Net assets at end of year	\$ 5,636,535	856,927	6,493,462

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Nine Months Ended May 31, 2010

	Program Services										Total Expenses	
	Annual Meeting	Committees and Awards	Conferences and Consortia	Membership and Subscriptions		Publications	Region Support		Section Support	Total Program Services		Management and General
				Subscriptions			Support	Support				
Salaries	\$ 141,125	28,610	17,056	85,189	126,820	36,771	107,380	542,951	374,042	916,993		
Employee benefits	43,577	8,834	5,267	26,305	39,160	11,354	33,157	167,654	115,499	283,153		
Payroll taxes	12,770	2,589	1,543	7,709	11,476	3,327	9,717	49,131	33,847	82,978		
Other payroll	1,441	292	174	870	1,295	375	1,095	5,542	3,819	9,361		
Training	219	44	26	132	196	57	166	840	579	1,419		
Total salaries and related expenses	199,132	40,369	24,066	120,205	178,947	51,884	151,515	766,118	527,786	1,293,904		
Awards and grants	--	26,526	--	--	--	--	--	26,526	--	26,526		
Bank and credit card fees	9,301	1,886	1,124	5,615	8,359	2,424	7,077	35,786	24,652	60,438		
Dues and subscriptions	189	463	23	114	170	49	144	1,152	502	1,654		
Equipment/software maintenance	5,406	1,096	653	3,263	6,609	1,409	4,113	22,549	14,328	36,877		
Event coordinator expense	568	39	23	116	172	6,912	11,566	19,396	508	19,904		
Hotel/food/beverage/audio visual	5,581	9,297	299,270	--	4,135	140,491	506,008	964,782	65,863	1,030,645		
Insurance	728	102	200	2,419	6,605	130	381	10,565	18,722	29,287		
Miscellaneous	1,100	228	133	664	9,590	(264)	13,968	25,419	16,373	41,792		
Office maintenance	318	--	196	2,969	8,633	--	--	12,116	10,308	22,424		
Postage	3,215	897	444	1,940	128,340	5,585	14,651	155,072	9,057	164,129		
Publications pre-press	802	--	2	--	329,292	18	577	330,691	40,500	371,191		
Printing/copying	179	252	4,375	108	158,314	4,734	17,138	185,100	8,302	193,402		
Professional and temp fees	20,932	3,533	2,106	10,523	126,485	45,009	153,605	362,193	299,977	662,170		
Registration/exhibitor/placements	--	3,000	--	--	--	--	--	3,000	10,220	13,220		
Supplies	3,677	726	4,557	2,163	4,820	8,533	29,833	54,309	12,129	66,438		
Taxes	227	--	139	2,115	6,151	--	--	8,632	7,311	15,943		
Telephone/internet/web	4,040	703	419	2,095	3,438	904	2,640	14,239	9,452	23,691		
Travel	8,629	49,500	124,453	2,797	17,368	4,407	17,743	224,897	167,767	392,664		
Utilities	201	--	123	1,871	5,442	--	--	7,637	6,498	14,135		
Web services/web hosting	5,565	1,115	665	3,319	31,034	1,433	5,045	48,176	82,332	130,508		
Total expenses before depreciation	269,790	139,732	462,971	162,296	1,033,904	273,658	936,004	3,278,355	1,332,587	4,610,942		
Depreciation	1,054	--	647	9,824	28,567	--	--	40,092	34,110	74,202		
Total expenses	\$ 270,844	139,732	463,618	172,120	1,062,471	273,658	936,004	3,318,447	1,366,697	4,685,144		

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended August 31, 2009

	Program Services										Total Expenses
	Annual Meeting	Committees and Awards	Conferences and Consortia	Membership and Subscriptions	Publications	Region Support	Section Support	Total Program Services	Management and General	Total	
Salaries	\$ 165,056	33,462	19,948	99,634	148,326	43,007	125,589	635,022	437,470	1,072,492	
Employee benefits	57,145	11,585	6,906	34,495	51,352	14,890	43,481	219,854	151,458	371,312	
Payroll taxes	13,406	2,718	1,620	8,093	12,047	3,493	10,201	51,578	35,533	87,111	
Training	271	55	33	163	243	70	206	1,041	718	1,759	
Total salaries and related expenses	235,878	47,820	28,507	142,385	211,968	61,460	179,477	907,495	625,179	1,532,674	
Awards and grants	9,232	84,535	--	--	--	--	7	93,774	--	93,774	
Bank and credit card fees	15,578	3,158	1,883	9,403	13,999	4,059	11,853	59,933	41,288	101,221	
Dues and subscriptions	1,588	322	192	958	1,427	414	1,208	6,109	4,857	10,966	
Equipment/software maintenance	3,189	647	385	1,925	2,866	831	2,426	12,269	8,452	20,721	
Event coordinator expense	38,316	251	1,043	746	1,110	8,534	9,811	59,811	3,275	63,086	
Hotel/food/beverage/audio visual	1,079,526	18,244	439,257	200	1,414	136,957	438,542	2,114,140	108,433	2,222,573	
Insurance	1,312	205	306	3,401	9,020	264	771	15,279	25,893	41,172	
Miscellaneous	20,662	6,390	3,612	1,254	11,204	2,108	6,920	52,150	43,193	95,343	
Office maintenance	287	--	177	2,680	7,793	--	--	10,937	9,305	20,242	
Postage	25,659	521	918	1,552	153,378	2,912	7,841	192,781	8,156	200,937	
Publications pre-press	2,204	--	--	--	300,782	33	1,271	304,290	--	304,290	
Printing/copying	66,049	6	4,591	18	232,093	6,063	15,658	324,478	15,865	340,343	
Professional and temp fees	132,243	1,953	4,690	5,815	179,227	32,139	70,551	426,618	209,836	636,454	
Registration/exhibitor/placements	91,783	--	--	--	--	--	--	91,783	--	91,783	
Supplies	46,392	766	2,010	2,282	7,030	985	41,968	101,433	16,232	117,665	
Taxes	247	--	152	2,306	6,707	--	--	9,412	34,513	43,925	
Telephone/internet/web	3,292	527	314	1,570	3,612	678	1,979	11,972	11,362	23,334	
Travel	18,906	62,237	136,231	3,152	21,208	2,522	18,946	263,202	174,328	437,530	
Utilities	290	--	178	2,706	7,869	--	--	11,043	9,396	20,439	
Web services/web hosting	16,261	1,076	642	3,204	45,940	1,383	4,039	72,545	140,880	213,425	
Total expenses before depreciation	1,808,894	228,658	625,088	185,557	1,218,647	261,342	813,268	5,141,454	1,490,443	6,631,897	
Depreciation	1,342	--	824	12,512	36,382	--	--	51,060	43,441	94,501	
Total expenses	\$ 1,810,236	228,658	625,912	198,069	1,255,029	261,342	813,268	5,192,514	1,533,884	6,726,398	

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION
STATEMENT OF CASH FLOWS
Nine Months Ended May 31, 2010

	Unrestricted	Temporarily Restricted	Total
Cash flows from operating activities			
Change in net assets	\$ (454,305)	(158,028)	(612,333)
Adjustments to reconcile change in net assets to net cash used by operating activities			
Depreciation	74,202	--	74,202
(Increase) decrease in			
Pledges receivable	204,461	94,318	298,779
Accounts receivable	73,466	--	73,466
Interest receivable	220	--	220
Publications inventory	2,527	--	2,527
Prepays and other assets	(33,026)	--	(33,026)
Increase (decrease) in			
Accounts payable and accrued expenses	(737,380)	--	(737,380)
Deferred revenue	451,111	--	451,111
Net cash used by operating activities	(418,724)	(63,710)	(482,434)
Cash flows from investing activities			
Purchase of property and equipment	(224,623)	--	(224,623)
Purchase of certificates of deposit	(1,200,000)	--	(1,200,000)
Maturities of certificates of deposit	1,200,000	--	1,200,000
Net cash used by investing activities	(224,623)	--	(224,623)
Net decrease in cash and cash equivalents	(643,347)	(63,710)	(707,057)
Cash and cash equivalents at beginning of period	5,124,712	(11,700)	5,113,012
Cash and cash equivalents at end of period	\$ 4,481,365	(75,410)	4,405,955
Cash and cash equivalents at end of period			
Cash and cash equivalents			\$ 4,405,955
Designated cash and cash equivalents			--
			<u>\$ 4,405,955</u>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION
STATEMENT OF CASH FLOWS
Year Ended August 31, 2009

	Unrestricted	Temporarily Restricted	Total
Cash flows from operating activities			
Change in net assets	\$ 306,721	(462,982)	(156,261)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities			
Depreciation	94,501	--	94,501
(Increase) decrease in:			
Pledges receivable	262,253	95,591	357,844
Accounts receivable	(105,275)	--	(105,275)
Interest receivable	1,102	--	1,102
Publications inventory	88	--	88
Prepays and other assets	(12,881)	--	(12,881)
Increase in			
Accounts payable and accrued expenses	121,973	--	121,973
Deferred revenue	171,568	--	171,568
Net cash provided (used) by operating activities	840,050	(367,391)	472,659
Cash flows from investing activities			
Purchase of property and equipment	(53,553)	--	(53,553)
Purchase of certificates of deposit	(1,850,000)	--	(1,850,000)
Maturities of certificates of deposit	1,200,000	--	1,200,000
Net cash used by investing activities	(703,553)	--	(703,553)
Net increase (decrease) in cash and cash equivalents	136,497	(367,391)	(230,894)
Cash and cash equivalents at beginning of year	4,988,215	355,691	5,343,906
Cash and cash equivalents at end of year	<u>\$ 5,124,712</u>	<u>(11,700)</u>	<u>5,113,012</u>
Cash and cash equivalents at end of year			
Cash and cash equivalents			\$ 4,687,200
Designated cash and cash equivalents			425,812
			<u>\$ 5,113,012</u>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization and Nature of Activities: The American Accounting Association (the Association) was founded in 1916 as a non-profit organization. The Association seeks to promote worldwide excellence in accounting education, research and practice. The Association publishes scholarly journals and conducts meetings, consortia and conferences on a variety of pedagogical and accounting issues. The Association's members are primarily accounting faculty members at colleges and universities throughout the world. The Association also publishes newsletters and engages in other activities to support worldwide excellence in accounting education, research and practice.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Change in Fiscal Year-End: The Executive Committee of the Association, upon approval from its members, approved a change in the Association's fiscal year-end from August 31 to May 31. This change is retroactive to September 1, 2009. As a result of the change, the Association had a nine month transition period from September 1, 2009 through May 31, 2010.

Included in this report is the Association's statements of financial position as of May 31, 2010 and August 31, 2009; the statements of activities, functional expenses and cash flows for the nine months ended May 31, 2010, and the year ended August 31, 2009.

Cash and Cash Equivalents: The Association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Designated Cash and Cash Equivalents: Revenue received under certain royalty contracts through December 31, 2007, have been designated by the Board to cover expenses incurred related to the royalty contracts in future years. Designated cash and cash equivalents are considered cash and cash equivalents for statement of cash flows purposes.

Accounts Receivable: The Association records accounts receivables at their net realizable value. An allowance for doubtful accounts is established based on specific assessment of all amounts that remain unpaid following normal payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. At May 31, 2010 and August 31, 2009, all accounts receivables are considered fully collectible.

Pledges Receivable: Promises to give are recorded at fair value if expected to be collected in one year and net realizable value if expected to be collected in more than one year. Unconditional promises to give are recognized as contribution revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for doubtful accounts is established based on specific assessment of all amounts that remain unpaid following normal payment periods. All amounts deemed to be uncollectible are

AMERICAN ACCOUNTING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

charged against the allowance for doubtful accounts in the period the determination is made. At May 31, 2010 and August 31, 2009, all pledges receivable are considered fully collectible.

Publications Inventory: Publications inventory is stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment: The Association records its property and equipment at cost or at fair market value, if donated. Depreciation of buildings and equipment is provided for using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives of assets range from 3 to 10 years for furniture, fixtures and equipment and 10 to 40 years for buildings and land improvements. Maintenance and repair costs are expensed as incurred.

Deferred Revenue: Membership dues and subscriptions are paid annually and are recognized as income over the 12-month period expected to be benefited. Fees collected in advance for conferences and meetings are deferred and are recognized in the year of the function.

The Association's annual meeting is held each August. Fees and contributions collected in advance and related expenses are deferred, with the exception of allocated salaries and other indirect costs.

Publication Revenue: Publication revenue is recognized when the related publications (books) are sold.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes: The Association is generally exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. The Association is required to pay income taxes on the excess of revenues derived from activities unrelated to the tax-exempt purpose of the Association over the related expenses.

AMERICAN ACCOUNTING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On September 1, 2009 (the effective date), the Association adopted the provisions of Accounting Standard Codification 740 related to accounting for uncertainty in income taxes. This provision requires all tax positions that meet a more-likely-than-not recognition threshold at the effective date be recognized (or continue to be recognized) upon adoption.

Management has reviewed their tax positions and concluded no liability or uncertain tax positions, or any interest or penalties related to uncertain tax positions, should be recognized in the Association's financial statements.

The Association files income tax returns in the U.S. and various states. With few exceptions, the Association's tax returns are subject to income tax examination by tax authorities for tax years ending on or after August 31, 2007.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events: The Association has evaluated all subsequent events through October 11, 2010, the date the financial statements were available to be issued. No material subsequent events occurred which would have a material impact on the Association's financial statements.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents by managed fund groups consist of the following:

	<u>May 31, 2010</u>	<u>August 31, 2009</u>
General operations	\$ 2,619,829	2,834,580
Sections	1,556,533	1,602,902
Regions	229,593	249,718
	<u>4,405,955</u>	<u>4,687,200</u>
Designated cash and cash equivalents	<u>--</u>	<u>425,812</u>
Total cash and cash equivalents	<u>\$ 4,405,955</u>	<u>5,113,012</u>

The Association's cash and cash equivalents are held in either non-interest bearing accounts which are fully insured by the FDIC or in U. S. Government securities which are fully backed by the U. S. Government.

AMERICAN ACCOUNTING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE C – CERTIFICATES OF DEPOSIT

At May 31, 2010 and August 31, 2009, the Association held 14 certificates of deposits in increments ranging from \$100,000 to \$250,000 in separate banking institutions. Maturity dates on the certificates of deposits range in increments of 12 months and 13 months.

NOTE D – PLEDGES RECEIVABLE

Unconditional promises to give, net of the discount to present value using an interest rate equivalent to the current risk free rate at the time the promise is made, are due to be collected as follows:

	<u>May 31, 2010</u>	<u>August 31, 2009</u>
Pledges receivable - less than 1 year	\$ 333,182	427,500
Pledges receivable - 1 to 5 years	231,375	440,951
Discount on pledges receivable	<u>(4,467)</u>	<u>(9,582)</u>
 Pledges receivable - net	 <u>\$ 560,090</u>	 <u>858,869</u>

The discount is recognized as an increase in contribution income as the discount is amortized over the duration of the pledge.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>May 31, 2010</u>	<u>August 31, 2009</u>
Land	\$ 199,816	199,816
Land improvements	15,252	15,252
Building and improvements	726,473	622,508
Furniture and equipment	307,571	272,023
Computers and software	<u>656,068</u>	<u>603,465</u>
	1,905,180	1,713,064
Less accumulated depreciation	<u>(1,016,052)</u>	<u>(974,357)</u>
 Total property and equipment	 <u>\$ 889,128</u>	 <u>738,707</u>

Depreciation expense was \$74,202 and \$94,501 for the nine months ended May 31, 2010 and the year ended August 31, 2009, respectively.

AMERICAN ACCOUNTING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE F – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

	<u>May 31, 2010</u>	<u>August 31, 2009</u>
Seminars and education	\$ 558,806	695,835
Awards	45,719	41,719
Research	<u>94,374</u>	<u>119,373</u>
Temporarily restricted net assets	<u>\$ 698,899</u>	<u>856,927</u>

NOTE G – ROYALTY AGREEMENTS

In November 2004, the Association entered into license agreements retroactive to January 1, 2004, which expired December 31, 2007. The revenue from these agreements was designated by the Board to be used for related expenses in future years. During 2008, these license agreements were renewed. The new agreements, which expire December 31, 2012, guarantee payments to the Association annually and are payable on a quarterly basis. The revenue from any renewed agreements has not been designated by the Board. On May 31, 2010, the Board released the remaining designation.

The designated cash and cash equivalents was determined as follows:

	<u>May 31, 2010</u>	<u>August 31, 2009</u>
Beginning balance	\$ 425,812	825,678
Expenses incurred	(353,095)	(399,866)
Release of designation	<u>(72,717)</u>	<u>--</u>
Designated net assets	<u>\$ --</u>	<u>425,812</u>

NOTE H – EMPLOYEE BENEFIT PLAN

The Association had a defined contribution, money purchase pension plan that covered substantially all employees that was converted to a 401(k) profit sharing plan effective January 1, 2009. Employer contributions to the plan are 7% of qualifying employees' compensation. The Association's contributions to the plan were \$67,633 and \$40,164 for the nine months ended May 31, 2010 and the year ended August 31, 2009, respectively. Employees may contribute to the 401(k) plan up to the maximum allowed by law.

AMERICAN ACCOUNTING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

NOTE I – CONTRIBUTIONS

Total contributions received by the Association were \$584,044 and \$852,107 for the nine months ended May 31, 2010 and the year ended August 31, 2009, respectively. Contributions are divided among the following categories on the statement of activities: contributions, annual meeting, and other revenue.

SUPPLEMENTAL INFORMATION



INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION

Executive Committee
American Accounting Association
Sarasota, Florida

Our report on our audit of the basic financial statements of the American Accounting Association for the nine months ended May 31, 2010 and the year ended August 31, 2009, appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The supporting schedules on pages 16 through 19 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is not intended to present the financial position, changes in net assets and cash flows of the individual funds, but has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CPA Associates

Bradenton, Florida
October 11, 2010

AMERICAN ACCOUNTING ASSOCIATION
SUPPORTING SCHEDULE OF THE
STATEMENTS OF FINANCIAL POSITION

	May 31, 2010			August 31, 2009	
	General Fund	Section Funds	Region Funds	Total All Funds	Total All Funds
ASSETS					
Cash and cash equivalents	\$ 2,619,829	1,556,533	229,593	4,405,955	4,687,200
Designated cash and cash equivalents	--	--	--	--	425,812
Certificates of deposit	1,850,000	--	--	1,850,000	1,850,000
Accounts receivable	259,268	--	--	259,268	332,734
Interest receivable	1,070	--	--	1,070	1,290
Pledges receivable - net	560,090	--	--	560,090	858,869
Publications inventory	4,876	--	--	4,876	7,403
Prepays and other assets	80,683	--	--	80,683	47,657
Property and equipment - net	889,128	--	--	889,128	738,707
TOTAL ASSETS	\$ 6,264,944	1,556,533	229,593	8,051,070	8,949,672
Liabilities					
Accounts payable and accrued expenses	\$ 349,984	--	--	349,984	1,087,364
Deferred revenue	1,696,729	123,228	--	1,819,957	1,368,846
Total liabilities	2,046,713	123,228	--	2,169,941	2,456,210
Net assets					
Unrestricted					
Undesignated	3,556,801	1,402,836	222,593	5,182,230	5,210,723
Board designated	--	--	--	--	425,812
Temporarily restricted	661,430	30,469	7,000	698,899	856,927
Total net assets	4,218,231	1,433,305	229,593	5,881,129	6,493,462
TOTAL LIABILITIES AND NET ASSETS	\$ 6,264,944	1,556,533	229,593	8,051,070	8,949,672

See independent auditor's report on supplementary information.

AMERICAN ACCOUNTING ASSOCIATION
SUPPORTING SCHEDULE OF THE
STATEMENTS OF ACTIVITIES

	Nine Months Ended May 31, 2010				Year Ended August 31, 2009
	General Fund	Section Funds	Region Funds	Total All Funds	Total All Funds
Support and revenue					
Membership dues	\$ 985,839	188,692	--	1,174,531	1,486,471
FASB codification	89,153	--	--	89,153	--
Subscriptions	640,142	106,050	--	746,192	981,548
Advertising	83,351	--	--	83,351	117,752
Publications/aggregators	889,252	18,181	--	907,433	1,245,751
Contributions	223,542	17,750	1,000	242,292	195,056
Interest and dividend income	25,951	41	7	25,999	56,387
Annual meeting	--	--	--	--	1,639,471
Other revenue (primarily from programs and seminars)	137,040	503,645	163,175	803,860	847,701
Total support and revenue	3,074,270	834,359	164,182	4,072,811	6,570,137
Expenses					
Program services					
Annual meeting	256,179	14,056	609	270,844	1,810,236
Committees and awards	80,633	46,852	12,247	139,732	228,658
Conferences and consortia	461,845	1,699	74	463,618	625,912
Membership and subscriptions	163,268	8,485	367	172,120	198,069
Publications	960,367	101,557	547	1,062,471	1,255,029
Region support	102,801	3,662	167,195	273,658	261,342
Section support	322,893	612,566	545	936,004	813,268
Support services					
Management and general	1,313,229	50,745	2,723	1,366,697	1,533,884
Total expenses	3,661,215	839,622	184,307	4,685,144	6,726,398
Change in net assets	(586,945)	(5,263)	(20,125)	(612,333)	(156,261)
Net assets at beginning of period/year	4,805,176	1,438,568	249,718	6,493,462	6,649,723
Net assets at end of period/year	\$ 4,218,231	1,433,305	229,593	5,881,129	6,493,462

See independent auditor's report on supplementary information.

AMERICAN ACCOUNTING ASSOCIATION
SUPPORTING SCHEDULE OF THE
STATEMENTS OF CASH FLOWS

	Nine Months Ended May 31, 2010			Year Ended August 31, 2009 Total All Funds
	General Fund	Section Funds	Region Funds	
Cash flows from operating activities				
Change in net assets	\$ (586,945)	(5,263)	(20,125)	(156,261)
Adjustments to reconcile change in net assets to net cash used by operating activities				
Depreciation	74,202	--	--	94,501
(Increase) decrease in				
Pledges receivable	298,779	--	--	357,844
Accounts receivable	73,466	--	--	105,275
Interest receivable	220	--	--	1,102
Publications inventory	2,527	--	--	88
Prepays and other assets	33,026	--	--	12,881
Increase (decrease) in				
Accounts payable and accrued expenses	737,380	--	--	121,973
Deferred revenue	492,217	(41,106)	--	171,568
Net cash used by operating activities	(415,940)	(46,369)	(20,125)	(472,659)
Cash flows from investing activities				
Purchase of land/building/equipment	(224,623)	--	--	(53,553)
Purchase of certificates of deposit	(1,200,000)	--	--	(1,850,000)
Maturities of certificates of deposit	1,200,000	--	--	1,200,000
Net cash used by investing activities	(224,623)	--	--	(703,553)
Net decrease in cash and cash equivalents	(640,563)	(46,369)	(20,125)	(230,894)
Cash and cash equivalents at beginning of period/year	3,260,392	1,602,902	249,718	5,343,906
Cash and cash equivalents at end of period/year	\$ 2,619,829	1,556,533	229,593	5,113,012
Cash and cash equivalents at end of period/year	\$ 2,619,829	1,556,533	229,593	4,687,200
Designated cash and cash equivalents	--	--	--	425,812
	\$ 2,619,829	1,556,533	229,593	5,113,012

See independent auditor's report on supplementary information.

AMERICAN ACCOUNTING ASSOCIATION
STATEMENT OF MAJOR CASH CONTRIBUTIONS (CASH BASIS)
NINE MONTHS ENDED MAY 31, 2010

General fund

Deloitte, LLP/Foundation	\$ 266,398
Ernst & Young, LLP/Foundation	216,824
McGraw-Hill	2,500
Federation of Schools of Accountancy	1,288

Section funds

KPMG, LLP/Foundation	62,500
Institute of Management Accountants	19,182
Grant Thornton, LLP	16,613
Ernst & Young, LLP/Foundation	15,000
PriceWaterhouseCoopers	12,500
American Institute of Certified Public Accountants	10,500
Federation of Schools of Accountancy	10,187
Deloitte, LLP/Foundation	9,000
University of Central Florida	5,000
Heller College of Business	2,000
ATA Memorial Fund	1,750
John Wiley & Sons	1,500
Audimation Services, Inc.	1,300
Dr. Hubert Glover	1,000
National Association of Certified Valuation	1,000
Roosevelt University	1,000
Virginia Commonwealth	1,000

Region funds

IRPROMO, LLC	4,000
Ohio Society of CPA's	2,429
North Dakota State University	1,000
The Center for International Business	1,000
Ohio Center for Professional Accounting	500
University of Dayton	500
Xavier University	500