

AMERICAN ACCOUNTING ASSOCIATION  
SARASOTA, FLORIDA

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION

Years Ended August 31, 2008 and 2007

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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 August 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. 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 August 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*CPA Associates*

Bradenton, Florida  
January 10, 2009

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION

	August 31,	
	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,518,228	3,377,837
Designated cash and cash equivalents	825,678	971,204
Certificates of deposit	1,200,000	1,300,000
Accounts receivable	227,459	44,690
Designated accounts receivable	--	58,333
Interest receivable	2,392	14,848
Pledges receivable - net	1,216,713	609,761
Publications inventory	7,491	15,719
Prepays and other assets	34,776	24,822
Property and equipment, less accumulated depreciation	779,655	804,299
<b>TOTAL ASSETS</b>	<b>\$ 8,812,392</b>	<b>7,221,513</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 965,391	1,008,651
Deferred revenue - dues and subscriptions	1,197,278	849,507
<b>Total liabilities</b>	<b>2,162,669</b>	<b>1,858,158</b>
<b>Net assets</b>		
<b>Unrestricted</b>		
Undesignated	4,504,136	3,617,542
Board designated	825,678	1,029,537
Temporarily restricted	1,319,909	716,276
<b>Total net assets</b>	<b>6,649,723</b>	<b>5,363,355</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,812,392</b>	<b>7,221,513</b>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENT OF ACTIVITIES  
Year Ended August 31, 2008

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Membership dues	\$ 1,385,226	--	1,385,226
Subscriptions	925,573	--	925,573
Advertising	181,650	--	181,650
Publications/aggregators	973,708	--	973,708
Contributions	189,660	1,019,071	1,208,731
Interest and dividend income	136,440	--	136,440
Annual meeting	1,416,148	--	1,416,148
Other revenue (primarily from programs and seminars)	775,004	--	775,004
Net assets released from restrictions	415,438	( 415,438)	--
Total support and revenue	6,398,847	603,633	7,002,480
Expenses			
Program services			
Annual meeting	1,415,528	--	1,415,528
Committees and awards	192,346	--	192,346
Conferences and consortia	646,932	--	646,932
Memberships and subscriptions	121,214	--	121,214
Publications	1,132,961	--	1,132,961
Region support	199,993	--	199,993
Section support	850,904	--	850,904
Support services			
Management and general	1,156,234	--	1,156,234
Total expenses	5,716,112	--	5,716,112
Change in net assets	682,735	603,633	1,286,368
Net assets at beginning of year	4,647,079	716,276	5,363,355
Net assets at end of year	\$ 5,329,814	1,319,909	6,649,723

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENT OF ACTIVITIES  
Year Ended August 31, 2007

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Membership dues	\$ 1,293,473	--	1,293,473
Subscriptions	834,369	--	834,369
Advertising	132,700	--	132,700
Publications	534,960	--	534,960
Contributions	167,455	197,525	364,980
Interest and dividend income	204,670	--	204,670
Annual meeting	1,269,962	--	1,269,962
Other revenue (primarily from programs and seminars)	659,469	--	659,469
Net assets released from restrictions	386,895	( 386,895)	--
Total support and revenue	5,483,953	( 189,370)	5,294,583
Expenses			
Program services			
Annual meeting	1,345,999	--	1,345,999
Committees and awards	180,674	--	180,674
Conferences and consortia	571,057	--	571,057
Memberships and subscriptions	145,340	--	145,340
Publications	916,111	--	916,111
Region support	228,922	--	228,922
Section support	701,348	--	701,348
Support services			
Management and general	803,485	--	803,485
Total expenses	4,892,936	--	4,892,936
Change in net assets	591,017	( 189,370)	401,647
Net assets at beginning of year	4,056,062	905,646	4,961,708
Net assets at end of year	\$ 4,647,079	716,276	5,363,355

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended August 31, 2008

	Program Services							Total Program Services	Management and General	Total Expenses
	Annual Meeting	Committees and Awards	Conferences and Consortia	Membership and Subscriptions	Publications	Region Support	Section Support			
Salaries	\$ 160,552	23,796	14,390	56,057	135,628	29,439	140,424	560,286	380,265	940,551
Employee benefits	46,670	6,917	4,183	16,295	39,425	8,557	40,819	162,866	110,537	273,403
Payroll taxes	12,552	1,860	1,125	4,382	10,603	2,302	10,979	43,803	29,730	73,533
<b>Total salaries and related expenses</b>	<b>219,774</b>	<b>32,573</b>	<b>19,698</b>	<b>76,734</b>	<b>185,656</b>	<b>40,298</b>	<b>192,222</b>	<b>766,955</b>	<b>520,532</b>	<b>1,287,487</b>
Awards and grants	7,932	68,971	--	--	1,000	--	500	78,403	--	78,403
Bank and credit card fees	15,997	2,371	1,434	5,585	13,513	2,933	13,991	55,824	37,888	93,712
Dues and subscriptions	802	119	72	280	678	147	702	2,800	5,335	8,135
Equipment/software maintenance	3,417	507	306	1,193	2,886	627	2,989	11,925	8,094	20,019
Event coordinator expense	29,557	43	2,174	101	245	6,519	11,020	49,659	688	50,347
Hotel/food/beverage/audio visual	779,466	23,408	487,064	89	162	107,403	450,984	1,848,576	69,887	1,918,463
Insurance	1,358	157	279	3,159	9,004	194	926	15,077	25,310	40,387
Miscellaneous	2,022	5,186	2,208	961	97,135	2,728	23,302	133,542	31,038	164,580
Office maintenance	301	--	185	2,805	8,155	--	--	11,446	9,738	21,184
Postage	37,093	415	1,338	977	145,827	2,196	9,707	197,553	7,076	204,629
Printing/copying	72,419	6	4,025	15	203,564	3,419	13,179	296,627	19,163	315,790
Professional and temp fees	130,452	3,354	4,902	7,902	390,506	25,128	79,230	641,474	215,231	856,705
Publications	--	--	--	--	1,528	--	--	1,528	--	1,528
Registration/exhibitor	52,515	--	--	--	--	--	--	52,515	--	52,515
Supplies	36,133	607	779	1,429	5,045	5,561	22,863	72,417	12,581	84,998
Taxes	311	--	191	2,897	8,423	--	--	11,822	18,749	30,571
Telephone/internet/web	3,874	466	282	1,098	4,264	577	2,751	13,312	7,449	20,761
Travel	20,553	54,163	121,042	1,517	13,288	2,263	26,538	239,364	117,228	356,592
Utilities	258	--	158	2,403	6,987	--	--	9,806	8,343	18,149
<b>Total expenses before depreciation</b>	<b>1,414,234</b>	<b>192,346</b>	<b>646,137</b>	<b>109,145</b>	<b>1,097,866</b>	<b>199,993</b>	<b>850,904</b>	<b>4,510,625</b>	<b>1,114,330</b>	<b>5,624,955</b>
Depreciation	1,294	--	795	12,069	35,095	--	--	49,253	41,904	91,157
<b>Total expenses</b>	<b>\$ 1,415,528</b>	<b>192,346</b>	<b>646,932</b>	<b>121,214</b>	<b>1,132,961</b>	<b>199,993</b>	<b>850,904</b>	<b>4,559,878</b>	<b>1,156,234</b>	<b>5,716,112</b>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended August 31, 2007

	Program Services							Management and General	Total Expenses	
	Annual Meeting	Committees and Awards	Conferences and Consortia	Membership and Subscriptions	Publications	Region Support	Section Support			Total Program Services
Salaries	\$ 137,422	20,368	12,317	47,981	116,088	25,198	120,194	479,568	325,482	805,050
Employee benefits	46,537	6,897	4,171	16,249	39,313	8,533	40,703	162,403	110,223	272,626
Payroll taxes	11,117	1,648	996	3,881	9,391	2,038	9,723	38,794	26,329	65,123
Staff training and development	824	122	74	288	696	151	720	2,875	1,951	4,826
<b>Total salaries and related expenses</b>	<b>195,900</b>	<b>29,035</b>	<b>17,558</b>	<b>68,399</b>	<b>165,488</b>	<b>35,920</b>	<b>171,340</b>	<b>683,640</b>	<b>463,985</b>	<b>1,147,625</b>
Awards and grants	8,639	62,849	--	--	--	--	--	71,488	--	71,488
Bank and credit card fees	14,397	2,134	1,290	5,027	12,162	2,640	12,592	50,242	34,098	84,340
Dues and subscriptions	1,455	216	130	508	1,229	267	1,272	5,077	3,446	8,523
Equipment/software maintenance	3,414	506	306	1,192	2,884	626	2,986	11,914	8,087	20,001
Event coordinator expense	20,827	41	25	96	232	8,441	9,530	39,192	650	39,842
Grant	--	15,000	--	--	--	--	--	15,000	--	15,000
Hotel/food/beverage/audio visual	795,262	17,240	428,730	772	11,473	137,333	357,336	1,748,146	39,904	1,788,050
Insurance	1,263	141	276	3,223	9,208	175	834	15,120	24,980	40,100
Miscellaneous	9,592	8,812	2,275	38,238	14,390	903	15,065	89,275	25,065	114,340
Office maintenance	235	--	144	2,192	6,373	--	--	8,944	7,610	16,554
Postage	24,759	440	1,345	1,037	104,535	2,331	8,211	142,658	7,576	150,234
Printing/copying	67,260	5	2,517	11	197,324	1,684	14,110	282,911	2,300	285,211
Professional and temp fees	114,583	2,865	4,439	6,749	301,018	29,148	63,759	522,561	60,784	583,345
Publications	--	--	--	--	1,998	--	--	1,998	--	1,998
Registration/exhibitor	42,208	--	--	--	--	901	--	43,109	--	43,109
Supplies	26,683	738	1,446	1,739	4,955	2,813	10,340	48,714	12,050	60,764
Taxes	292	--	180	2,726	7,926	--	--	11,124	16,637	27,761
Telephone/internet/web	3,485	517	312	1,217	3,792	639	3,048	13,010	8,399	21,409
Travel	14,521	40,135	109,332	811	37,960	5,101	30,925	238,785	48,313	287,098
Utilities	260	--	160	2,413	7,022	--	--	9,855	8,388	18,243
<b>Total expenses before depreciation</b>	<b>1,345,035</b>	<b>180,674</b>	<b>570,465</b>	<b>136,350</b>	<b>889,969</b>	<b>228,922</b>	<b>701,348</b>	<b>4,052,763</b>	<b>772,272</b>	<b>4,825,035</b>
Depreciation	964	--	592	8,990	26,142	--	--	36,688	31,213	67,901
<b>Total expenses</b>	<b>\$ 1,345,999</b>	<b>180,674</b>	<b>571,057</b>	<b>145,340</b>	<b>916,111</b>	<b>228,922</b>	<b>701,348</b>	<b>4,089,451</b>	<b>803,485</b>	<b>4,892,936</b>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENT OF CASH FLOWS  
Year Ended August 31, 2008

	Unrestricted	Temporarily Restricted	Total
Cash flows from operating activities			
Change in net assets	\$ 682,735	603,633	1,286,368
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation	91,157	--	91,157
(Increase) decrease in			
Pledges receivable	( 113,509)	( 493,443)	( 606,952)
Accounts receivable	( 124,436)	--	( 124,436)
Interest receivable	12,456	--	12,456
Publications inventory	8,228	--	8,228
Prepays and other assets	( 9,954)	--	( 9,954)
Increase (decrease) in			
Accounts payable and accrued expenses	( 43,260)	--	( 43,260)
Deferred revenue - dues and subscriptions	347,771	--	347,771
Net cash provided by operating activities	851,188	110,190	961,378
Cash flows from investing activities			
Purchase of land/building/equipment	( 66,513)	--	( 66,513)
Maturities of certificates of deposit	1,300,000	--	1,300,000
Purchase of certificates of deposit	(1,200,000)	--	( 1,200,000)
Net cash provided by investing activities	33,487	--	33,487
Net increase in cash and cash equivalents	884,675	110,190	994,865
Cash and cash equivalents at beginning of year	4,103,540	245,501	4,349,041
Cash and cash equivalents at end of year	\$ 4,988,215	355,691	5,343,906
Cash and cash equivalents at end of year			
Cash and cash equivalents			\$ 4,518,228
Designated cash and cash equivalents			825,678
			<u>\$ 5,343,906</u>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENT OF CASH FLOWS  
Year Ended August 31, 2007

	Unrestricted	Temporarily Restricted	Total
Cash flows from operating activities			
Change in net assets	\$ 591,017	( 189,370)	401,647
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation	67,901	--	67,901
(Increase) decrease in:			
Pledges receivable	( 134,597)	295,009	160,412
Accounts receivable	72,649	--	72,649
Interest receivable	( 1,835)	--	( 1,835)
Publications inventory	126	--	126
Prepays and other assets	166,639	--	166,639
Increase (decrease) in			
Accounts payable and accrued expenses	339,102	--	339,102
Deferred revenue - dues and subscriptions	( 26,285)	--	( 26,285)
Net cash provided by operating activities	1,074,717	105,639	1,180,356
Cash flows from investing activities			
Purchase of land/building/equipment	( 261,044)	--	( 261,044)
Maturities of certificates of deposit	1,200,000	--	1,200,000
Purchase of certificates of deposit	(1,200,000)	--	(1,200,000)
Net cash used by investing activities	( 261,044)	--	( 261,044)
Net increase in cash and cash equivalents	813,673	105,639	919,312
Cash and cash equivalents at beginning of year	3,289,867	139,862	3,429,729
Cash and cash equivalents at end of year	\$ 4,103,540	245,501	4,349,041
Cash and cash equivalents at end of year			
Cash and cash equivalents			\$ 3,377,837
Designated cash and cash equivalents			971,204
			<u>\$ 4,349,041</u>

See accompanying notes.

AMERICAN ACCOUNTING ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

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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.

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 and Designated Accounts Receivable: Revenue received under 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 August 31, 2008 and 2007, 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.

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.

AMERICAN ACCOUNTING ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE B – CASH AND CASH EQUIVALENTS

At August 31, cash and cash equivalents by managed fund groups consist of the following:

	<u>2008</u>	<u>2007</u>
General operations	\$ 2,645,995	1,623,858
Sections	1,615,912	1,506,024
Regions	<u>256,321</u>	<u>247,955</u>
	4,518,228	3,377,837
Designated cash and cash equivalents	<u>825,678</u>	<u>971,204</u>
Total cash and cash equivalents	<u>\$ 5,343,906</u>	<u>4,349,041</u>

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AMERICAN ACCOUNTING ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

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NOTE B – CASH AND CASH EQUIVALENTS (CONTINUED)

The Association utilizes a cash management system, which automatically transfers the excess balance above a predetermined target level into an investment fund. This fund primarily consists of securities, which are guaranteed by the full faith and credit of the U. S. Government, and repurchase agreements collateralized by U. S. Government obligations.

NOTE C – CERTIFICATES OF DEPOSIT

At August 31, 2008 and 2007, the Association held 12 and 13 certificates of deposits, respectively in \$100,000 increments 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:

	2008	2007
Pledges receivable - less than 1 year	\$ 523,091	409,582
Pledges receivable - 1 to 5 years	710,000	209,099
Discount on pledges receivable	( 16,378)	( 8,920)
	<u>\$ 1,216,713</u>	<u>609,761</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

At August 31, property and equipment consists of the following:

	2008	2007
Land	\$ 199,816	199,816
Land improvements	15,252	15,252
Building	622,508	611,750
Furniture and equipment	271,728	249,404
Computers and software	550,209	516,780
	<u>1,659,513</u>	<u>1,593,002</u>
Less accumulated depreciation	( 879,858)	( 788,703)
Total property and equipment	<u>\$ 779,655</u>	<u>804,299</u>

AMERICAN ACCOUNTING ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

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NOTE E – PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense was \$91,157 and \$67,901 for the years ended August 31, 2008 and 2007, respectively.

NOTE F – TEMPORARILY RESTRICTED NET ASSETS

At August 31, temporarily restricted net assets are restricted for the following purposes:

	<u>2008</u>	<u>2007</u>
Seminars and education	\$ 1,103,948	509,124
Awards	58,854	50,045
Research	<u>157,107</u>	<u>157,107</u>
Temporarily restricted net assets	<u>\$ 1,319,909</u>	<u>716,276</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 agreements guarantee minimum payments to the Association of \$350,000 (in total) annually, which are payable each quarter. The revenue from these agreements has been designated by the Board to be used for related expenses in future years. The designated balance at August 31, was determined as follows:

	<u>2008</u>	<u>2007</u>
Beginning balance	\$ 1,029,537	877,546
Royalties received	116,667	350,000
Expenses incurred	<u>( 320,526)</u>	<u>( 198,009)</u>
Designated net assets	<u>\$ 825,678</u>	<u>1,029,537</u>

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.

AMERICAN ACCOUNTING ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

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NOTE H – EMPLOYEE BENEFIT PLAN

The Association has a defined contribution, money purchase pension plan that covers substantially all employees. Employer contributions to the plan are 7% of qualifying employees' compensation. The Association's contributions to the plan for 2008 and 2007 were \$47,513 and \$41,071, respectively. The Association also has adopted a 403(b) salary reduction plan for eligible employees. The Association has no obligation for employer contributions to this plan.

NOTE I – CONTRIBUTIONS

Total contributions received by the Association for 2008 and 2007, were \$1,836,816 and \$883,985, 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 years ended August 31, 2008 and 2007, 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 15 through 18 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information 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  
January 10, 2009

AMERICAN ACCOUNTING ASSOCIATION  
SUPPORTING SCHEDULE OF THE  
STATEMENTS OF FINANCIAL POSITION

	August 31, 2008				August 31, 2007
	General Fund	Section Funds	Region Funds	Total All Funds	Total All Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,645,995	1,615,912	256,321	4,518,228	3,377,837
Designated cash and cash equivalents	825,678	--	--	825,678	971,204
Certificates of deposit	1,200,000	--	--	1,200,000	1,300,000
Accounts receivable	227,459	--	--	227,459	44,690
Designated accounts receivable	--	--	--	--	58,333
Interest receivable	2,392	--	--	2,392	14,848
Pledges receivable - net	1,216,713	--	--	1,216,713	609,761
Publications inventory	7,491	--	--	7,491	15,719
Prepays and other assets	34,776	--	--	34,776	24,822
Property and equipment - net	779,655	--	--	779,655	804,299
<b>TOTAL ASSETS</b>	<b>\$ 6,940,159</b>	<b>1,615,912</b>	<b>256,321</b>	<b>8,812,392</b>	<b>7,221,513</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 965,391	--	--	965,391	1,008,651
Deferred revenue - dues and subscriptions	1,054,372	142,906	--	1,197,278	849,507
<b>Total liabilities</b>	<b>2,019,763</b>	<b>142,906</b>	<b>--</b>	<b>2,162,669</b>	<b>1,858,158</b>
<b>Net assets</b>					
Unrestricted					
Undesignated	2,871,163	1,382,652	250,321	4,504,136	3,617,542
Board designated	825,678	--	--	825,678	1,029,537
Temporarily restricted	1,223,555	90,354	6,000	1,319,909	716,276
<b>Total net assets</b>	<b>4,920,396</b>	<b>1,473,006</b>	<b>256,321</b>	<b>6,649,723</b>	<b>5,363,355</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,940,159</b>	<b>1,615,912</b>	<b>256,321</b>	<b>8,812,392</b>	<b>7,221,513</b>

See independent auditor's report on supplementary information.

AMERICAN ACCOUNTING ASSOCIATION  
SUPPORTING SCHEDULE OF THE  
STATEMENTS OF ACTIVITIES  
Year Ended August 31

	2008			2007	
	General Fund	Section Funds	Region Funds	Total All Funds	Total All Funds
Support and revenue					
Membership dues	\$ 1,143,828	241,398	--	1,385,226	1,293,473
Subscriptions	766,215	159,358	--	925,573	834,369
Advertising	181,350	300	--	181,650	132,700
Publications/aggregators	946,559	27,149	--	973,708	534,960
Contributions	1,184,202	24,529	--	1,208,731	364,980
Interest and dividend income	98,544	32,609	5,287	136,440	204,670
Annual meeting	1,394,970	21,178	--	1,416,148	1,269,962
Other revenue (primarily from programs and seminars)	168,826	463,515	142,663	775,004	659,469
Total support and revenue	5,884,494	970,036	147,950	7,002,480	5,294,583
Expenses					
Program services					
Annual meeting	1,391,380	23,601	547	1,415,528	1,345,999
Committees and awards	99,639	83,700	9,007	192,346	180,674
Conferences and consortia	645,206	1,677	49	646,932	571,057
Membership and subscription	114,492	6,531	191	121,214	145,340
Publications	974,469	158,030	462	1,132,961	916,111
Region support	69,049	3,430	127,514	199,993	228,922
Section support	288,723	561,662	519	850,904	701,348
Support services					
Management and general	1,110,216	44,723	1,295	1,156,234	803,485
Total expenses	4,693,174	883,354	139,584	5,716,112	4,892,936
Change in net assets	1,191,320	86,682	8,366	1,286,368	401,647
Net assets at beginning of year	3,729,076	1,386,324	247,955	5,363,355	4,961,708
Net assets at end of year	\$ 4,920,396	1,473,006	256,321	6,649,723	5,363,355

See independent auditor's report on supplementary information.

AMERICAN ACCOUNTING ASSOCIATION  
SUPPORTING SCHEDULE OF THE  
STATEMENTS OF CASH FLOWS  
Year Ended August 31

	2008			2007	
	General Fund	Section Funds	Region Funds	Total All Funds	Total All Funds
Cash flows from operating activities					
Change in net assets	\$ 1,191,320	86,682	8,366	1,286,368	401,647
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	91,157	--	--	91,157	67,901
(Increase) decrease in					
Pledges receivable	( 606,952)	--	--	( 606,952)	160,412
Accounts receivable	( 124,436)	--	--	( 124,436)	72,649
Interest receivable	12,456	--	--	12,456	( 1,835)
Publications inventory	8,228	--	--	8,228	126
Prepays and other assets	( 9,954)	--	--	( 9,954)	166,639
Increase (decrease) in					
Accounts payable and accrued expenses	( 43,260)	--	--	( 43,260)	339,102
Deferred revenue - dues and subscriptions	324,565	23,206	--	347,771	( 26,285)
Net cash provided by operating activities	843,124	109,888	8,366	961,378	1,180,356
Cash flows from investing activities					
Purchase of land/building/equipment	( 66,513)	--	--	( 66,513)	( 261,044)
Purchase of certificates of deposit	( 1,200,000)	--	--	( 1,200,000)	( 1,200,000)
Maturities of certificates of deposit	1,300,000	--	--	1,300,000	1,200,000
Net cash provided (used) by investing activities	33,487	--	--	33,487	( 261,044)
Net increase in cash and cash equivalents	876,611	109,888	8,366	994,865	919,312
Cash and cash equivalents at beginning of year	2,595,062	1,506,024	247,955	4,349,041	3,429,729
Cash and cash equivalents at end of year	\$ 3,471,673	1,615,912	256,321	5,343,906	4,349,041
Cash and cash equivalents at end of year					
Cash and cash equivalents	\$ 2,645,995	1,615,912	256,321	4,518,228	3,377,837
Designated cash and cash equivalents	825,678	--	--	825,678	971,204
	\$ 3,471,673	1,615,912	256,321	5,343,906	4,349,041

See independent auditor's report on supplementary information.

AMERICAN ACCOUNTING ASSOCIATION  
STATEMENT OF MAJOR CASH CONTRIBUTIONS RECEIVED  
YEAR ENDED AUGUST 31, 2008

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General fund:

Deloitte LLP/Foundation	\$ 358,090
Ernst & Young LLP/Foundation	163,451
PriceWaterhouseCoopers LLP/Foundation	10,000
McGraw-Hill	2,500
Federation of Schools of Accountancy	3,000

Section funds:

KPMG LLP/Foundation	136,000
Institute of Management Accounting	19,049
American Institute of Certified Public Accountants	15,000
Deloitte LLP/Foundation	11,000
Grant Thornton LLP	8,000
PriceWaterhouseCoopers	1,000
EPPS CPA Consulting	3,000
John Wiley & Sons	1,000
Ernst & Young LLP/Foundation	21,000
McGraw-Hill	800

Region funds:

Ohio Society of CPA's	2,574
California CPA's	2,000
Deloitte	3,000
Federation of Business Disciplines	8,120