

The American Sociological Association

OMB Circular A-133
Supplementary Financial Report
Year Ended December 31, 2003

The American Sociological Association

**OMB Circular A-133
Supplementary Financial Report**

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Council
The American Sociological Association
Washington, D.C.

We have audited the financial statements of The American Sociological Association (the Association) as of and for the year ended December 31, 2003, and have issued our report thereon dated April 9, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components, does not reduce to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur, and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal controls over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control, over financial reporting, which we have reported to management of the Association in a separate letter dated April 9, 2004.

This report is intended solely for the information and use of the Council, management and Federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Bethesda, Maryland
April 9, 2004

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133

To the Council
The American Sociological Association
Washington, D.C.

Compliance

We have audited the compliance of The American Sociological Association (the Association) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended December 31, 2003. The Association's major Federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Association's management. Our responsibility is to express an opinion on the Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Association's compliance with those requirements.

In our opinion, The American Sociological Association complied, in all material respects, with the requirements referred to above that are applicable to the major Federal program for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the Association is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with requirements that could have a direct and material effect on a major Federal program, in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur, and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of The American Sociological Association as of and for the year ended December 31, 2003, and have issued our report thereon dated April 9, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

This report is intended solely for the information and use of the Council, management and Federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Bethesda, Maryland
April 9, 2004

The American Sociological Association

**Schedule Of Expenditures Of Federal Awards
Year Ended December 31, 2003**

Federal Grantor/ Program Title	Federal CFDA Number	Contract Number	Federal Expenditures
Department of Health and Human Services			
National Institute of Mental Health:			
Mental Health National Research Service Awards for Research Training	93.282	5-T32MH15722	\$ 616,419
National Science Foundation:			
Education and Human Resources Social, Behavioral, and Economic Sciences	47.076	DUE-0089006	94,480
	47.075	SES-0209367	<u>43,016</u>
			<u><u>\$ 753,915</u></u>

See Note to Schedule of Expenditures of Federal Awards.

The American Sociological Association

Note To Schedule Of Expenditures Of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Association and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

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**Schedule Of Findings And Questioned Costs
Year Ended December 31, 2003**

Section I. - Summary Of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? Yes X No
Reportable condition(s) identified that are
not considered to be material weakness(es)? Yes X None reported

Noncompliance material to financial statements
noted? Yes X No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? Yes X No
Reportable condition(s) identified that are
not considered to be material weakness(es)? Yes X None reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Section 510(a)
of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s) or Other Identifying Number</u>	<u>Name of Federal Program or Cluster</u>
93.282	Mental Health National Research Service Awards for Research Training

Dollar threshold used to distinguish between
Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

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Schedule Of Findings And Questioned Costs (Continued)
Year Ended December 31, 2003

Section II. - Financial Statement Findings

None reported.

Section III. - Federal Award Findings And Questioned Costs

None reported.

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**Summary Schedule Of Prior Audit Findings
Year Ended December 31, 2003**

There were no findings reported for the year ended December 31, 2002.