

**AFRICAN STUDIES ASSOCIATION, INC.**

**Financial Statements  
and  
Supplemental Schedules**

**For the Years Ended December 31, 2009 and 2008**

**AFRICAN STUDIES ASSOCIATION, INC.**  
**For the Years Ended December 31, 2009 and 2008**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
African Studies Association, Inc.

We have audited the accompanying statements of financial position of African Studies Association, Inc. (the "Association") as of December 31, 2009 and 2008, and the related statements of activities 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 audit 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 African Studies Association, Inc. as of December 31, 2009 and 2008, 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.

*Buchbinder Tunick & Company LLP*

BUCHBINDER TUNICK & COMPANY LLP

April 24, 2010

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Statements of Financial Position**  
**December 31, 2009 and 2008**

	2009	2008
<b>ASSETS</b>		
Assets:		
Cash and cash equivalents	\$ 269,830	\$ 245,550
Accounts receivable, net of allowance for doubtful accounts of \$-0- and \$2,684 at December 31, 2009 and 2008, respectively	107,770	77,614
Investments in marketable securities	703,000	531,930
Interest receivable	3,701	3,318
Prepaid expenses and other assets	3,162	11,790
Due from Rutgers University	41,517	55,274
Certificate of deposit - restricted	164,489	160,869
Property assets, net	23,719	22,962
Total assets	\$ 1,317,188	\$ 1,109,307
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 70,474	\$ 101,272
Line of credit	104,245	105,929
Deferred income - membership dues	38,433	45,113
Total liabilities	213,152	252,314
Commitments		
Net assets:		
Unrestricted	911,912	663,944
Temporarily restricted	192,124	193,049
Total net assets	1,104,036	856,993
Total liabilities and net assets	\$ 1,317,188	\$ 1,109,307

See notes to financial statements.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Statement of Activities**  
**For the year ended December 31, 2009**

	Unrestricted	Temporarily Restricted	Total
<b>Revenue:</b>			
Grants and contributions	\$ 77,828	\$ 75	\$ 77,903
Membership dues	291,267	-	291,267
Sales of publications	137,014	-	137,014
Annual meeting	227,138	-	227,138
Interest and dividends	15,442	-	15,442
Unrealized gain on investments	160,180	-	160,180
Contributed facilities	95,895	-	95,895
Total revenue	1,004,764	75	1,004,839
<b>Other support:</b>			
Net assets released from purpose restrictions	1,000	(1,000)	-
Total revenue and other support	1,005,764	(925)	1,004,839
<b>Expenses:</b>			
Program services	508,505	-	508,505
Management and general	249,291	-	249,291
Total expenses	757,796	-	757,796
Change in net assets	247,968	(925)	247,043
<b>Net assets:</b>			
Beginning of year	663,944	193,049	856,993
End of year	\$ 911,912	\$ 192,124	\$ 1,104,036

See notes to financial statements.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Statement of Activities**  
**For the year ended December 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue:</b>			
Grants and contributions	\$ 65,212	\$ 11,862	\$ 77,074
Membership dues	281,929	-	281,929
Sales of publications	132,213	-	132,213
Annual meeting	294,655	-	294,655
Interest and dividends	15,563	3,141	18,704
Realized gain on sale of investments	112,847	9,661	122,508
Unrealized (loss) on investments	(444,141)	(13,510)	(457,651)
Contributed facilities	<u>93,282</u>	<u>-</u>	<u>93,282</u>
Total revenue	<u>551,560</u>	<u>11,154</u>	<u>562,714</u>
<b>Other support:</b>			
Net assets released from purpose restrictions	<u>5,021</u>	<u>(5,021)</u>	<u>-</u>
Total revenue and other support	<u>556,581</u>	<u>6,133</u>	<u>562,714</u>
<b>Expenses:</b>			
Program services	602,018	-	602,018
Management and general	<u>215,915</u>	<u>-</u>	<u>215,915</u>
Total expenses	<u>817,933</u>	<u>-</u>	<u>817,933</u>
Change in net assets	(261,352)	6,133	(255,219)
<b>Net assets:</b>			
Beginning of year	<u>925,296</u>	<u>186,916</u>	<u>1,112,212</u>
End of year	<u>\$ 663,944</u>	<u>\$ 193,049</u>	<u>\$ 856,993</u>

See notes to financial statements.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2009 and 2008**

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ 247,043	\$ (255,219)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	11,618	3,485
Allowance for doubtful accounts	-	2,684
Realized (gain) on sale of investments	-	(122,508)
Unrealized (gain) loss on investments	(160,180)	457,651
(Increase) decrease in operating assets:		
Accounts receivable	(30,156)	(10,175)
Interest receivable	(383)	2,490
Prepaid expenses and other assets	8,628	(6,167)
Due from Rutgers University	13,757	(55,274)
Inventory of books	-	29,485
Increase (decrease) in operating liabilities:		
Accounts payable	(30,798)	12,863
Deferred income - membership dues	(6,680)	(16,852)
Due to Rutgers University	-	(64,224)
	<u>52,849</u>	<u>(21,761)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
(Purchase) of marketable securities	(10,890)	(566,009)
Proceeds from sale of marketable securities	-	539,283
(Purchase) of certificate of deposit	(3,620)	(6,335)
Additions to property assets	(12,375)	(15,661)
	<u>(26,885)</u>	<u>(48,722)</u>
Net cash (used in) investing activities		
Cash flows from financing activities:		
(Payments) proceeds from line of credit, net	(1,684)	(1,427)
	<u>(1,684)</u>	<u>(1,427)</u>
Net cash (used in) financing activities		
Increase (decrease) in cash and cash equivalents	24,280	(71,910)
Cash and cash equivalents:		
Beginning of year	<u>245,550</u>	<u>317,460</u>
End of year	<u>\$ 269,830</u>	<u>\$ 245,550</u>
Supplemental disclosure of cash flows information:		
Interest paid	<u>\$ 7,537</u>	<u>\$ 7,119</u>

See notes to financial statements.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2009 and 2008**

**Note 1 - Nature of Operations**

The African Studies Association, Inc. (the "Association" or "ASA") was founded in 1957 as a nonprofit organization open to all individuals and institutions interested in African affairs. Its mission is to bring together people with a scholarly and professional interest in Africa. The ASA also provides information and support services to the Africanist community. Three publications are currently produced each year: *ASA News*, *African Studies Review*, and *History in Africa*.

Many activities to promote African studies are also carried out by Coordinate Organizations that request affiliation with the ASA. These organizations, which have a scholarly and professional interest in Africa, must share at least 25 common paid members with the ASA. These organizations provide annual reports to the ASA on their activities and are provided support from the ASA in the form of meeting space at the ASA Annual Meeting and access to ASA online community system.

**ASA Membership in Allied Groups**

The ASA is currently a member of four organizations: American Council of Learned Societies ("ACLS"), Coalition for International Education ("CIE"), National Council of Area Studies Associations ("NCASA") and the National Humanities Alliance ("NHA").

On January 5, 1998, the Association relocated from Emory University in Atlanta, Georgia to Rutgers, the State University of New Jersey ("Rutgers University"), in New Brunswick, New Jersey, where it maintains an office for administrative and program activities.

**Note 2 - Summary of Significant Accounting Policies**

**Financial Statement Presentation and Contributions**

The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Financial Statement Presentation and Contributions (Continued)**

In August 2008, the Financial Accounting Standards Board (the "FASB") issued guidance on the net assets classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The guidance also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of New Jersey has adopted UPMIFA. The Association is subject to the New Jersey Not-for-Profit Corporation Law. The Association has adopted the guidance for the year ended December 31, 2008.

**Unrestricted**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the support is recognized.

**Temporarily Restricted**

The Association follows a similar policy for temporarily restricted gains and interest earned on investments in that gains and interest whose restrictions are met in the same reporting period are reported as unrestricted revenue. Investment income is recognized when earned.

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Permanently Restricted**

Amounts received that are to be held in perpetuity are reported as permanently restricted support that increases that net asset class. The income from the assets can be used to support the Association's general activities. As of December 31, 2009 and 2008, the Association did not have any permanently restricted net assets.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**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 the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within 90 days of the date of purchase.

**Accounts Receivable**

Accounts receivable are recorded at their net realizable value. Allowances for uncollectible amounts are estimated and recorded by management on a periodic basis. Accounts receivable at December 31, 2009 and 2008 are derived entirely from the sales of publications.

**Investments**

Investments consist of mutual funds stated at fair value. The Association records investments at fair value based on the quoted market price.

**Property Assets**

Property assets are stated at cost at the date of acquisition. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

The following lives have been assigned to the fixed assets:

Furniture and equipment	7 years
Computer equipment	3-5 years
Computer software	3 years

The Association incurred depreciation expense of \$11,618 and \$3,485 for the years ended December 31, 2009 and 2008, respectively.

Repairs and maintenance costs are expensed, while additions and betterments are capitalized.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Membership Dues and Deferred Income - Membership Dues**

Membership dues are paid annually and are recorded when received. Dues collected for the next fiscal year are recorded as deferred revenue.

**Grants and Contributions**

Grants and contributions are recorded as revenue when received.

**Annual Meeting**

Revenue for the annual meeting is recognized in the period that the meeting is held.

**Contributed Facilities**

The Association recognized contributed facilities from Rutgers University that were utilized in operations during the years ended December 31, 2009 and 2008. These contributed facilities have been recorded at their approximate fair value.

**Income Taxes**

The Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Effective January 1, 2009, the Association adopted the FASB's guidance on accounting for uncertainty in income taxes. This guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

The adoption did not have a material impact on the Association's financial statements.

The Association files an annual Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service (the "IRS"). At December 31, 2009, the Association's Form 990 for the years 2006 through 2009 remain eligible for examination by the IRS.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program activities and supporting services benefited.

**Fund-raising Expenses**

The Association does not typically solicit funds from the public, therefore no fund-raising expenses are disclosed in the functional allocation of expenses.

**Subsequent Events**

The FASB established standards for the accounting and disclosure of events and transactions that occur after the statement of financial position date but before the financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. The Association adopted these standards during the year ended December 31, 2009. The adoption of the subsequent events provisions did not have a material impact on the Association's financial statements.

The Association has evaluated subsequent events and transactions through April 24, 2010, the date that the Association's financial statements were available to be issued.

**Note 3 - Summary of Contracts Funding**

During 2006, the Association signed a new agreement with Rutgers University, under similar terms to the current agreement, effective January 1, 2008 through December 31, 2012. The agreement provides for the Association to receive \$52,000 per year of recognized support from Rutgers University. The agreement may be terminated without cause by either party upon 12 months' written notice.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 4 - Investments**

At December 31, 2009 and 2008, the amounts invested were as follows:

	<u>2009</u>	<u>2008</u>
Investments in marketable securities:		
Mutual funds	<u>\$ 703,000</u>	<u>\$ 531,930</u>

Unrealized gain (loss) on investments totaled \$160,180 and \$(457,651) for the years ended December 31, 2009 and 2008, respectively.

**Note 5 - Fair Value Measurements**

Effective January 1, 2008, the Association adopted FASB's fair value measurements and disclosure accounting guidance, which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. It defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Association's principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date.

The fair value hierarchy generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability, and are to be developed based on the best information available in the circumstances.

The Association determines the fair market value of its investment in securities based on the established fair value definition and hierarchy levels. The three levels within the hierarchy that may be used to measure fair value are:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs, including Level 1 prices that have been adjusted; quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be substantially corroborated by observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 5 - Fair Value Measurements (Continued)**

Judgment is required in evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification. Level 3 amounts can include assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as assets and liabilities for which the determination of fair value requires significant management judgment or estimation.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of input that is a significant component of the fair value measurements determines the placement of the entire fair value measurement in the hierarchy. The Association's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

The following table sets forth, by level, the Association's assets that were accounted for at fair value on a recurring basis as of December 31, 2009 and 2008, respectively.

Investments in marketable securities:

<u>December 31, 2009</u>	<u>Total Fair Value</u>	<u>Quoted Prices (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Mutual funds:				
Domestic	\$ 482,580	\$ 482,580	\$ -	\$ -
International	<u>220,420</u>	<u>220,420</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 703,000</u>	<u>\$ 703,000</u>	<u>\$ -</u>	<u>\$ -</u>

<u>December 31, 2008</u>	<u>Total Fair Value</u>	<u>Quoted Prices (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Mutual funds:				
Domestic	\$ 372,901	\$ 372,901	\$ -	\$ -
International	<u>159,029</u>	<u>159,029</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 531,930</u>	<u>\$ 531,930</u>	<u>\$ -</u>	<u>\$ -</u>

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 6 - Concentrations of Credit Risk**

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

The Association maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Association has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to the cash balances.

**Note 7 - Property Assets**

Property assets, stated at cost at December 31, 2009 and 2008, consist of the following:

	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$ 44,380	\$ 44,380
Computer software and licenses	26,875	14,500
Computer equipment	<u>75,543</u>	<u>75,543</u>
	146,798	134,423
Less: accumulated depreciation	<u>(123,079)</u>	<u>(111,461)</u>
Property assets, net	<u>\$ 23,719</u>	<u>\$ 22,962</u>

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 8 - Unrestricted Net Assets - Board Designated**

**Life Income Fund**

The Board of Directors of the Association has chosen to set aside proceeds from all life membership dues in a life income fund (the "Life Income Fund") to be held indefinitely. The income from such funds are expendable for long-term support of the Association, such as travel, accommodations and per diem for selected African scholars attending the Association's annual meeting, outreach, publications, and membership costs for the life members. In 2008, the Board of Directors decided to terminate the Life Income Fund effective January 1, 2009. The Life Income Fund consists of cash totaling \$- and \$109,259 as of December 31, 2009 and 2008, respectively, and is included in unrestricted net assets. A reconciliation of the activity of the Life Income Fund for the years ended December 31, 2009 and 2008 is as follows:

	2009	2008
Board-designated net assets - January 1	\$ 109,259	\$ 94,684
Contributions	-	14,575
Fund termination	(109,259)	-
Board-designated net assets - December 31	\$ -	\$ 109,259

**Note 9 - Temporarily Restricted Net Assets**

Temporarily restricted net assets as of December 31, 2009 and 2008, are available for the following purposes as stipulated by donors:

	2009	2008
50 Year Anniversaries Endowment Fund	\$ 93,124	\$ 93,049
Prizes Fund	99,000	100,000
Total temporarily restricted net assets	\$ 192,124	\$ 193,049

During the years ended December 31, 2009 and 2008, net assets released from purpose restrictions consisted of the following:

	2009	2008
50 Year Anniversaries Endowment		
Fund-raising Campaign	\$ -	\$ 5,021
Prizes Fund	1,000	-
Net assets released from purpose restrictions	\$ 1,000	\$ 5,021

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 9 - Temporarily Restricted Net Assets (Continued)**

The 50 Year Anniversaries Endowment Fund is to be used to support the Association's activities in technology development, the African Higher Education Initiative, the African Higher Education Resource Directory, and the African e-Journals project, in addition to re-initiating funding for the international visitor program.

The Prizes Fund represents monies restricted for the purpose of awarding the Bethwell Ogot prize for the best book on East African Studies and the Melville J. Herskovits award for the best scholarly work published on Africa.

As of December 31, 2009 and 2008, the Association's temporarily restricted net assets were invested primarily in mutual funds.

**Return Objectives and Risk Parameters**

The Association has adopted investment and spending policies for endowment assets (donor-restricted and board-designated) that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieve a favorable long-term total return through both capital appreciation and investment income. Actual returns in any given year may vary.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate of return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Association's objective is to maintain the purchasing power of the endowment assets as well as to provide additional growth through new gifts and investment return.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 9 - Temporarily Restricted Net Assets (Continued)**

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain. Deficiencies of this nature that are reported in unrestricted net assets were \$23,944 and \$53,155 as of December 31, 2009 and 2008, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of temporarily restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

**Note 10 - Contractual Agreements with Rutgers University**

The Association and Rutgers University entered into an agreement effective January 1998 for the Association to relocate its administrative office to the Rutgers campus in New Brunswick, New Jersey. During 2006, the Association signed a new agreement with Rutgers University, under similar terms to the current agreement, effective January 1, 2008 through December 31, 2012. The agreement may be terminated without cause by either party upon 12 months' written notice. Rutgers University will provide the Association with office space at 132 George Street, Douglass Campus and storage space without charge during the term of this agreement. The storage space is located in a different building on Douglass Campus. Additionally, Rutgers University pays certain operating expenses on behalf of the Association and bills the Association monthly.

In accordance with this agreement, the Association will comply with all applicable Rutgers University policies and procedures and all of the Association's staff are considered employees of Rutgers University.

Contributed facilities for the years ended December 31, 2009 and 2008, totaled approximately \$95,895 and \$93,282, respectively.

Additionally, Rutgers University provided unrestricted grant support of \$52,000 for the years ended December 31, 2009 and 2008, respectively (see Note 3).

**AFRICAN STUDIES ASSOCIATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2009 and 2008**

**Note 11 - Line of Credit**

In February 2005, the Association entered into an agreement with Brunswick Bank & Trust, which provided a line of credit of \$150,000, payable upon demand, due monthly, which may be drawn upon at any time. The current interest rate on the line of credit is 6.5%. The line of credit is secured by a certificate of deposit of \$150,000, which is renewed annually, currently bearing interest at a rate of 2.25%. The certificate of deposit was funded by a transfer from the Association's investment account.



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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL SCHEDULES

The Board of Directors  
African Studies Association, Inc.

Our report on our audits of the basic financial statements of African Studies Association, Inc. (the "Association") as of December 31, 2009 and 2008 and for the years then ended appears on page 1. The audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The accompanying supplemental schedules, appearing on pages 19 and 20, are presented for 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.

*Buchbinder Tunick & Company LLP*

BUCHBINDER TUNICK & COMPANY LLP

April 24, 2010

**AFRICAN STUDIES ASSOCIATION, INC.**  
**(Supplemental Schedules)**  
**Schedule of Functional Expenses**  
**For the year ended December 31, 2009**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Payroll	\$ 155,415	\$ 51,805	\$ 207,220
Fringe benefits	56,673	18,891	75,564
Accounting fees	-	41,688	41,688
Legal fees	-	5,982	5,982
Office supplies	7,051	2,351	9,402
Telephone	3,686	1,229	4,915
Postage	11,113	3,704	14,817
Occupancy	47,539	15,846	63,385
Utilities	12,191	4,064	16,255
Equipment rental and maintenance	14,900	4,967	19,867
Travel	10,120	3,374	13,494
Board meetings	-	38,740	38,740
Depreciation expense	-	11,618	11,618
Computer and website expenses	23,180	7,727	30,907
Insurance expense	-	6,545	6,545
Temporary help	12,787	4,262	17,049
Subcontractor services	49,845	16,615	66,460
Member publications	44,426	-	44,426
Annual meeting	47,895	-	47,895
Credit card and other processing fees	7,776	2,592	10,368
Interest expense	-	7,537	7,537
Miscellaneous and other program expenses	<u>3,908</u>	<u>(246)</u>	<u>3,662</u>
 Total expenses	 <u>\$ 508,505</u>	 <u>\$ 249,291</u>	 <u>\$ 757,796</u>

See independent auditor's report on supplemental schedules.

**AFRICAN STUDIES ASSOCIATION, INC.**  
**(Supplemental Schedules)**  
**Schedule of Functional Expenses**  
**For the year ended December 31, 2008**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Payroll	\$ 212,806	\$ 70,936	\$ 283,742
Fringe benefits	73,153	24,384	97,537
Accounting fees	-	17,850	17,850
Legal fees	-	4,692	4,692
Office supplies	5,297	1,766	7,063
Telephone	3,818	1,273	5,091
Postage	9,191	3,063	12,254
Occupancy	69,961	23,321	93,282
Equipment rental and maintenance	1,800	600	2,400
Travel	2,723	907	3,630
Board meetings	-	23,743	23,743
Depreciation expense	-	3,485	3,485
Computer and website expenses	22,713	7,571	30,284
Insurance expense	-	4,700	4,700
Temporary help	14,481	4,827	19,308
Member publications	74,015	-	74,015
Annual meeting	93,182	-	93,182
Credit card and other processing fees	11,525	3,842	15,367
Interest expense	-	7,119	7,119
Miscellaneous and other program expenses	<u>7,353</u>	<u>11,836</u>	<u>19,189</u>
 Total expenses	 <u>\$ 602,018</u>	 <u>\$ 215,915</u>	 <u>\$ 817,933</u>

See independent auditor's report on supplemental schedules.