

**WEST AFRICAN RESEARCH  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS and  
SUPPLEMENTARY INFORMATION**

**For the Years Ended September 30, 2010 and 2009**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**West African Research Association, Inc.**

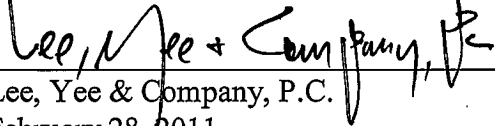
We have audited the accompanying statements of financial position of the West African Research Association, Inc. (WARA) (a non-profit organization) as of September 30, 2010 and 2009, and the related statements of activity and cash flows for the years then ended. These financial statements are the responsibility of WARA'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the West African Research Association, Inc. as of September 30, 2010 and 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2011, on our consideration of the West African Research Association, Inc.'s internal control over financial reporting and our tests of its compliance with specific certain provisions of law, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of the internal controls over financial reporting and compliance and the results of that testing and not an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the West African Research Association, Inc. taken as a whole. The accompanying supplementary information on pages 12 to 13 are presented for purposes of additional analysis and not a required part of the basic financial statements of the West African Research Association, Inc. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

  
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Lee, Yee & Company, P.C.  
February 28, 2011

**WEST AFRICAN RESEARCH ASSOCIATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

September 30, 2010 and 2009

**ASSETS**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 128,848	\$ 155,915
Grants receivable	2,000	3,931
Prepaid expenses	1,250	-
	<u>132,098</u>	<u>159,846</u>
<b>Total Current Assets</b>		
	<u>132,098</u>	<u>159,846</u>
<b>NONCURRENT ASSETS</b>		
Fixed Assets:		
Furniture & fixtures	10,000	10,000
Less accumulated depreciation	<u>(10,000)</u>	<u>(10,000)</u>
Fixed Assets, net	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u>132,098</u>	<u>159,846</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	14,735	1,447
Due to grantor	10,322	30,351
Due to affiliate (WARC)	9,556	1,044
	<u>34,613</u>	<u>32,842</u>
<b>Total Current Liabilities</b>		
	<u>34,613</u>	<u>32,842</u>
<b>NET ASSETS</b>		
Unrestricted	97,485	63,601
Temporarily Restricted	-	63,403
	<u>97,485</u>	<u>127,004</u>
<b>Total Net Assets</b>		
	<u>97,485</u>	<u>127,004</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 132,098</u>	<u>\$ 159,846</u>

See accompanying notes to financial statements and auditors' report.

**WEST AFRICAN RESEARCH ASSOCIATION, INC.**

**STATEMENTS OF ACTIVITIES**  
For the Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>UNRESTRICTED NET ASSETS</b>		
<b>SUPPORT AND REVENUE</b>		
Miscellaneous	\$ 10	\$ 6,376
Contributions	270	1,495
Membership dues	11,896	13,968
Program fees	7,200	6,400
In-kind contributions	71,120	76,820
Net assets released from restriction restriction satisfied by payment	<u>1,149,318</u>	<u>530,932</u>
<b>Total Unrestricted Support and Revenue</b>	<u>1,239,814</u>	<u>635,991</u>
<b>EXPENSES</b>		
Program services	953,505	527,328
Management and general	<u>195,813</u>	<u>80,424</u>
<b>Total Expenses</b>	<u>1,149,318</u>	<u>607,752</u>
<b>Increase in Unrestricted Net Assets</b>	<u>90,496</u>	<u>28,239</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
<b>SUPPORT AND REVENUE</b>		
Program grants	1,029,303	594,335
Net assets released from restriction restriction satisfied by payment	<u>(1,149,318)</u>	<u>(530,932)</u>
<b>Increase/(Decrease) in Temporarily Restricted     Net Assets</b>	<u>(120,015)</u>	<u>63,403</u>
<b>CHANGE IN NET ASSETS</b>	(29,519)	91,642
<b>NET ASSETS, BEGINNING</b>	<u>127,004</u>	<u>35,362</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 97,485</u>	<u>\$ 127,004</u>

See accompanying notes to financial statements and auditors' report

**WEST AFRICAN RESEARCH ASSOCIATION, INC.**

**STATEMENTS OF CASH FLOWS**  
For the Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (29,519)	\$ 91,642
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
(Increase) decrease:		
Grants receivable	1,931	22,155
Prepaid expenses	(1,250)	57
Increase (decrease):		
Accounts payable	12,244	(761)
Due to grantors	(10,473)	30,351
Net Cash Provided by/(Used in) Operating Activities	<u>(27,067)</u>	<u>143,444</u>
NET INCREASE/ (DECREASE) IN CASH	(27,067)	143,444
CASH, BEGINNING OF YEAR	<u>155,915</u>	<u>12,471</u>
CASH, END OF YEAR	<u>\$ 128,848</u>	<u>\$ 155,915</u>
<b>SUPPLEMENTARY DISCLOSURE:</b>		
Cash paid for interest during the year	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements and auditors' report.

## WEST AFRICAN RESEARCH ASSOCIATION, INC.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

#### **NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### Organization

The West African Research Association Inc. (WARA) was founded in 1989 to enhance collaborative research and scholarly exchange between U.S. and West African scholars, educators, and institutions and to increase knowledge about and interest in Africa in the U.S. Its stated objectives are to:

- Provide U.S. and West African scholars access to research resources and expand research opportunities.
- Create a point of contact for U.S. and West African researchers allowing the intersection of their respective research traditions.
- Foster collaborative research efforts, conferences and projects.
- Reinforce institutions on both sides of the Atlantic.
- Supplement documentation resources.
- Award fellowships to U.S. and West African scholars.
- Encourage interest in international affairs and careers among U.S. graduate students.
- Disseminate information on West Africa-related research issues and periodically organize meaningful and landmark seminars, symposia and conferences where experts and researchers and creative artists and thinkers from different horizons and backgrounds can meet and fruitfully exchange ideas, preoccupations, research results and stimulating thinking.

WARA is a qualified tax-exempt organization under Internal Revenue Code Section 501 (c) (3). Through its by-laws, WARA has established a Board of Directors composed of representatives elected by the general membership. There are fourteen board members, representing a range of institutions and disciplines. Each serves for a term of three years, with three members rotating off each year. The board's role is to assure that the WARA mandate is fulfilled. The directors then elect officers who, in close cooperation with the U.S. and overseas directors, are charged with the coordination and execution of programs taking place in the U.S. and in West Africa. WARA has an overseas office, West African Research Center (WARC) located in Dakar, Senegal.

##### Basis of Accounting

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

# WEST AFRICAN RESEARCH ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

### NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, WARA 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.

#### 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 effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Revenue Recognition

Grants and other contributions received are recorded as temporarily restricted support, depending on the existence and/or nature of any donor restrictions. When donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, or objectives of each grant are met or costs are incurred, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restriction.

#### Federal Income Taxes

WARA is exempt from Federal income taxes under Internal Revenue Code Section 501(c) (3) of the code. The organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(vi). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

WARA evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are more-likely-than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold, along with accrued interest and penalty thereon would be recorded as an expense in the current year financial statements. At September 30, 2010 and 2009, the organization believes that it has no uncertain tax positions within any of its open tax years.



WEST AFRICAN RESEARCH ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(Continued)**

Cash and Cash Equivalents

WARA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The organization maintains its banking with local banks. The cash balance at September 30, 2010 and 2009 were \$128,848 and \$155,915. WARA did not maintain cash balances in excess of FDIC insured limits at September 30, 2010 and 2009.

Grants Receivable

Grants receivable is considered by management to be fully collectible and accordingly no allowance for doubtful accounts is considered necessary.

Property and Equipment

All acquisitions of property in excess of \$500 and all expenditure for repairs, maintenance, renewals and betterment that naturally prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Grant Advances

Grant revenue is recognized when earned, however funds received that are not earned as of year-end are recorded as a liability under grant advances.

Restricted and Unrestricted Revenue:

Contributions of cash and other assets, as well as grants, are accounted for in accordance with SFAS No. 116, Accounting for *Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions and grants are reported as increases 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.

**WEST AFRICAN RESEARCH ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2010 and 2009

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(Continued)**

**Program Services**

West African Research Center – WARA's overseas office in Dakar, Senegal provides an institutional presence and stability to its programs and creates a point of contact for U.S. and West African researchers.

Facilitated Research – WARA receives and administers grants and contracts to support and promote scholarly research on West Africa and to foster cooperation between US-based and West African researchers, students and artists.

**Donated Materials, Facilities or Services**

WARA records in-kind contributions of materials and facilities at fair market value at the date of donation. Board members and institutional member representatives donate significant time to the organization. No amounts have been reflected in the financial statements for volunteered time since the services performed do not meet the requirements for recognition in the financial statements.

**NOTE B – ALLOCATION OF FUNCTIONAL EXPENSES**

Expenses are charged to programs based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to a program based on time allocation.

**NOTE C – TEMPORARILY RESTRICTED NET ASSETS**

Net assets are temporarily restricted on a grant by grant basis. Each individual grant has specific objectives. Once the objectives of each grant are met and cost incurred, the temporarily restricted net assets are released from donor restrictions and reclassified as unrestricted net assets.

**NOTE D- RELATIONSHIP WITH BOSTON UNIVERSITY**

Boston University provides the use of its facilities including the use of telephones, faxes, e-mailing, copying, etc. in the University's African Studies Center. They also provide the use of graduate students to assist in certain programs. The in-kind contributions have been recognized in the accompanying statement of activities as contributions and expenses at their estimated fair values. The estimated fair value of the in-kind contribution by Boston University approximates \$26,720 and \$32,420 at September 30, 2010 and 2009, respectively. This difference is due to reduced hours by the graduate assistant in 2010, as compared with 2009.

**WEST AFRICAN RESEARCH ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2010 and 2009

**NOTE E – RELATIONSHIP WITH THE GOVERNMENT OF SENEGAL**

WARA operates an overseas center located in Dakar, Senegal. The government of Senegal contributes the use of the facility where the center operates. WARC also benefits from a 40% reduction in internet line cost. The in-kind contributions have been recognized in the accompanying statement of activities as contributions and expenses at their estimated fair values. The estimated fair value of the in-kind contribution by the government of Senegal approximates \$44,400 and \$44,400 at September 30, 2010 and 2009.

**NOTE F – SUBSEQUENT EVENTS**

WARA has performed an evaluation of subsequent events through February 28, 2011, which is the date the organization's financial statements were available to be issued. No material subsequent events have occurred since September 30, 2010 that requires recognition or disclosure in these financial statements.